

# The NATIONAL UNDERWRITER

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## Many Nations At Monte Carlo Insurance Reinsurance Conference

William F. Delaney Jr., the well known international reinsurance intermediary and president of Delaney Offices, New York, attended the September Rendez-vous at Monte Carlo for insurers and reinsurers and completed a report on the meeting which he sent to The National Underwriter from London. His observations follow:

The annual international convention of insurers and reinsurers at Monte Carlo was the most successful meeting in the now established series, with 526 company men and 158 brokers from all parts of the world attending to arrange and discuss insurance and reinsurance.

Company representatives on hand were from the U. S., England, France, Holland, Spain, Austria, Belgium, Chile, Denmark, Egypt, India, Iran, Ireland, Israel, Italy, Libya, Luxembourg, Liechtenstein, Morocco, Mexico, Norway, Philippines, Poland, Sweden, Switzerland, Turkey, Union of South Africa, Venezuela, and Russia.

The future of the September rendez-vous seems assured. Companies and brokers make plans well in advance to use the Monte Carlo meeting as the time and place to resolve problems arising during the year. The lobby of the internationally known Hotel de Paris, just across the street from the famous Monte Carlo casino, becomes a busy insurance and reinsurance exchange.

### Cooperation Apparent

The 1961 conference was marked by an impressive and encouraging display of how it is possible for some 32 countries to arrange reinsurance and to discuss individual insurance problems. The individual members are strong competitors in many cases, but this did not prevent sincere cooperation.

Although the American delegation was smaller than in previous years, Andre Roux, president and general di-

rector of the Compagnie D'Assurances Generales Contre Les Accidents, Paris, welcomed Americans from both North and South America.

Insurance ties between the U. S. and the continental markets are becoming more evident, with growing cooperation between the American companies and their European counterparts.

Harold J. Toso of Sayre & Toso attended the meeting for the first time. His California organization, representing many American companies, also has Lloyd's connections and represents several foreign companies for the underwriting of surplus lines business.

### Toso Cites Accomplishments

"My trip to the September rendez-vous," he said, "has proven to be even more valuable than I had anticipated. In the short period of one week and all in one place, I have been able to do business and carry on meetings which would have required several months of travel if this conference did not exist."

Mr. Toso was able to meet with his friends of the Seven Provinces, its general managing director, Dirk Quint, and its managing director, Antony Maat, both well acquainted with the American insurance scene. Seven Provinces is a company with widespread international interests.

The American Foreign Insurance Assn. was well and ably represented by T. B. Brown Jr., vice-president; Alain d'Arthuys, manager in Paris, and Peter C. Blaugh, manager in London.

North America was represented by  
(CONTINUED ON PAGE 32)

## Washington Agents Elect Bierwagen

WALLA WALLA—Oscar Bierwagen has been elected president of Washington Assn. of Insurance Agents. Vice-president and chairman of the board of trustees is L. E. O'Day, Aberdeen. Other officers are: L. E. Sallady, Spokane, regional vice-president west; G. O. Moen Jr., Mount Vernon, secretary-treasurer; Edward Ray, Pasco, trustee at large, and Thomas A. Harman, Seattle, state national director.

## Stowell Moves Out As Ohio Superintendent

Edward A. Stowell has resigned as Ohio superintendent of insurance to move up the political ladder as executive assistant to Gov. DiSalle at a \$2,000 increase in salary. Robert L. Mullins, deputy, has been named acting superintendent. He was an attorney in Akron before joining the department a year ago.

## Crashed Jet Value High

The hull of the Northwest Orient Electra jet airliner, which crashed last Sunday at O'Hare Field, Chicago, was valued between \$2 million and \$2.5 million. It was insured through Associated Aviation Underwriters.

## Adjusters Wait For Facts Before Guessing Tex. Hurricane Loss

Wild estimates from non-insurance sources of loss resulting from the hurricane that struck the south coast of Texas last week have caused adjusters to be wary of making a premature guess as to what the insured damages may be. Newspapers and government employees began talking in terms of hundreds of millions of dollars as soon as the winds hit the Gulf Coast. For example, county officials have arrived at a total of \$459 million, of which \$260 million is in Galveston County, but a lot of it is uninsured flood damage.

For a day or two early this week the adjusters were in considerable fear that the hurricane off the east coast would strike the Carolinas and move up along the seaboard. For a double catastrophe of the widespread nature that this threatened, there simply isn't enough manpower. There are some winds from the edge of this hurricane along the east coast, but there won't be extensive losses of the type calling for extra men.

### Not A Record Loss

It appears that by reason of the fact that the Texas hurricane was confined to a relatively small area, that it did not hit a densely populated part of the state and because the wind dissipated promptly after reaching land, this loss will not be of record proportions.

If Hurricane Donna last year was  
(CONTINUED ON PAGE 41)

## Ore. Agents Hold Annual At Eugene; Fox New President

### Compulsory Auto Insurance, No Prior Approval Eyed At Fact-Filled Meeting

More than 400 persons registered at the 33rd annual meeting of Oregon Assn. of Insurance Agents at Eugene last week. Interest at the two-day gathering centered principally on competition and compulsory automobile insurance in the state, the latter being termed as "a step toward state monopoly."

President Merrill Hagan, McMinnville, said that the initial petition to make auto insurance mandatory had been promoted for the third time but that the petition's title has been challenged and the matter is before the Oregon supreme court. Mr. Hagan noted that compulsory insurance might result in more income to insurance agents, "but it is the principle that alarms me; it would lead to state monopoly in the automobile insurance field."

Lewis M. Fox of J. Rosenthal Co., Portland, was named president; Lawrence E. Slater, Klamath Falls, chairman of the 14-member board, and Leonard A. Adams of Beaverton was reelected state national director.

New directors are: First congressional district—G. K. Hutchings, Newberg, and J. P. Wieber, Forest Grove; second  
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## Sherman Otstot Retires After 25 Years As Secretary Of N.C. Agents' Assn.



Guests at the dinner honoring Sherman Otstot at his retirement as executive vice-president of North Carolina Assn. of Insurance Agents included, from left, William Webb of Statesville, NAIA state national director; Mr. Otstot; I.A. Jones, Charlotte, president of the North Carolina association; Charles Gold, North Carolina insurance commissioner, and Louie Woodbury Jr., Wilmington, past president of NAIC.

Sherman G. Otstot, for 25 years executive vice-president and executive secretary of North Carolina Assn. of Insurance Agents and dean of executive secretaries in the United States,

has retired. He was honored by the agents of his state with an "Appreciation Dinner" in Raleigh.

Nineteen past presidents of the  
(CONTINUED ON PAGE 40)

## Seeks Signatures For Compulsory Auto In Ore.

Sen. Robert W. Straub is engaged in securing 42,439 valid signatures for a petition to put compulsory automobile on the ballot in Oregon in 1962. He must secure the names by July 5, 1962, and if he does the measure will be voted on in November.

Sen. Straub has backed compulsory automobile twice in the Oregon legislature and lost. Organized labor is behind the move, although it is not known yet whether the senator and labor see eye to eye on the type of legislation desired.

Sen. Straub's bill would require proof of financial responsibility as a requisite to registering a motor vehicle; repeal of the universal uninsured motorist coverage statute enacted in 1959; a mandatory assigned risk plan operated by the insurance department, and a merit rating plan based on driving records and administered by the commissioner. The bill would go into effect in 1964.

## Gerber Notes Two Conflicting Schools Of Thought In Business

There is today a tremendous conflict between two groups, two poles of thought, within the insurance business—on the one hand are those who seek uniformity in all aspects of the business; on the other hand are those who believe in innovation, new concepts, new accomplishments daily.



Joseph S. Gerber This was the opinion of Illinois Director Joseph S. Gerber as he addressed the first meeting of the new season of Chicago Group Insurance Assn.

Mr. Gerber was introduced by Thomas Stewart, General American Life, the association's vice-president and program chairman who was re-

elected as were the other officers: Ray Zumbrook, Alexander & Co., president; Theodore Seiler, Provident Life & Accident, executive vice-president; Jack Seering, Marsh & McLennan, secretary, and Laurence W. Ostling Jr., State Mutual Life, treasurer.

The Illinois director said it is obvious that the two sides are incompatible, and that the industry itself is thus "between the devil and the deep blue sea."

### Suggests Clarification

As a solution to this, Mr. Gerber strongly suggested that what is needed is a clarification of public law 15, which, at the moment, does not give any clear idea of what the states are to do. Are they to have more laws, less laws, different laws? Or, is there to be just one law? And, if this is so who is to be the father of this law?

Group men differ, of course, in their various views. This is only natural and right; is, indeed, a real aspect of Americana. But, Mr. Gerber asked, do group men believe that states should not be able to have different laws? What is the difference between companies wanting to be different and states wanting different laws?

The director said he is 100% for individual, state regulation of insurance. And, he stated, the ultimate test of any law is really quite a simple question: Is it serving the public interest?

What about group insurance laws that vary? Did, or does, Congress in-

(CONTINUED ON PAGE 34)

## Arbitration Units For Major Cities

A special arbitration committee will begin operation in Chicago Sept. 26, and by the end of 1961 committees will be established in major cities from coast to coast. Special arbitration provides the facility through which signatory companies can resolve without going to trial inter-company disputes arising from co-defendant situations or coverage questions.

Members of Assn. of Casualty & Surety Companies and of National Assn. of Mutual Casualty Companies are cooperating in broadening the program throughout the country.

Designed to ease court congestion, the broadened special arbitration agreement was made available to the casualty business throughout the U. S. after its success was proven in a pilot projection in the New York metropolitan area. N. Morgan Woods, claims manager of Assn. of Casualty & Surety Companies, said the arbitration agreement went into effect in metropolitan New York in 1957 and proved an excellent method of settling many claims without going to trial.

### Projects And Plans

Since spring, special arbitration committees have been introduced in Newark and Philadelphia and are slated to begin work in San Francisco and Los Angeles in November. Before the end of the year a committee is also expected to be formed in Atlanta.

Earlier this month, 19 new companies joined the project, bringing the total number of participating casualty companies to 140.

In each city where the plan has been put into effect there are about 30 committee members. Assignments in the cities now using special arbitration are made through Mrs. Helen Heckert, Insurance Federation of Pennsylvania, Philadelphia; Mrs. Wanda Paris, Fireman's Fund, Newark, N. J., and Bernard Hines Jr. of Assn. of Casualty & Surety Companies in New York.

### Plan McDonald Fete

An informal reception is slated for Oct. 2 in the Pick-Congress Hotel, Chicago, honoring Philip W. McDonald on his appointment as assistant director of insurance of Illinois.

## Phoenix Of London Buys Coast Agency

Phoenix of London has acquired Landis, Pelletier & Parrish, San Francisco managing general agency which has represented the company since 1898. Effective Oct. 1, the agency will concentrate its fire and casualty business in Phoenix of London, which is also newly extending its facilities in the west coast ocean marine market.

### Two Working Together

John J. Campion, vice-president and manager of the company's Pacific Coast division, F. J. Pelletier, and George F. Parrish, president and executive vice-president of the agency respectively, will be closely associated in the coordination of the combined facilities of the two organizations.

The agency was founded by Edward C. Landis. His family is still active in the management, Philip F. Landis being board chairman.

## C. Arthur Williams On Administrative Board Of Huebner Foundation

C. Arthur Williams Jr., has been appointed a member of the administrative board of S. S. Huebner Foundation for Insurance Education. Mr. Williams is a professor of economics and insurance at the University of Minnesota and for the past year a visiting professor at the University of Pennsylvania.

He is the author of numerous articles for insurance publications and is co-author of the text, "Economic and Social Security."

## Minn. Agents Elect Enstad At Annual; Hit Compulsory Auto

ROCHESTER—Minnesota Assn. of Insurance Agents met here for its 64th annual last week during the splendors of late summer and elected Merald T. Enstad, Fergus Falls, president.

Robert P. Quackenbush, Albert Lea, moved into the vice-presidency and both M. A. Hewitt, St. Paul, secretary-treasurer, and E. J. Bachmann, St. Paul, national director, were reelected.

The 300 agents on hand heard a number of talks designed to improve their competitive position (that by Virgil Roby, vice-president Travelers, is reported elsewhere in this issue, while others will be run next week) and they evidenced a good deal of spirit themselves by unanimously adopting two strong resolutions.

The first resolution had to do with compulsory auto insurance, which the agents have so far been able to stymie at various legislative points. The agents went on record as advising all members of the association to poll those running for public office before the election and, upon ascertaining their position on the matter, taking vigorous action either for or against them during the election campaign.

The second resolution read as follows: "Whereas frequently in the past the insurance industry through its regulatory bodies has initiated and announced changes in rules, premiums, and coverages with no apparent concern for, or prior consideration of, or liaison with Minnesota Assn. of Insurance Agents or its members; and whereas the association believes it to be in the best interest of the insuring public; and whereas it is contrary to law for the Minnesota department of insurance to discuss the content of filings after having been received by the department; it is therefore resolved that the association suggests and recommends to the industry and to its rate and forms committees that pre-filing consultations between authorized industry representatives and a duly appointed committee of the association be instituted to avoid continuance of this practice."

## August Fire Loss Shows 1.8% Rise

Fire losses in the U. S. During August totaled \$91,633,000, an increase of 1.8% over August, 1960, according to the National Board. The August total is down by 1.6% from losses in July, 1961.

Losses for the first eight months of 1961 amounted to \$819,763,000, an increase of 9.7% over last year's period.

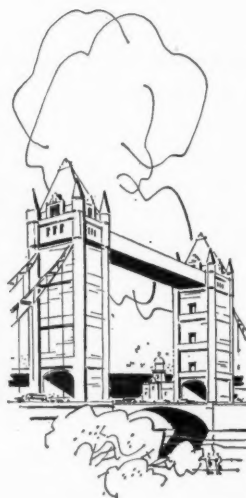
## Dallas Agents Elect

George E. McCormick was elected president of Dallas Association of Insurance Agents last week, succeeding C. E. Welch. Frank Caldwell is the new vice-president, and Lon Mohundro remains executive secretary.

Mr. McCormick is a partner, along with his father and two brothers, in the George W. McCormick agency. He has been a director of the Dallas board for three years and has also been vice-president and public relations chairman. Other directors are J. W. Thomas, M. D. Ligon, J. P. Moon, M. K. Kahoney, C. M. Patrick Jr., Carl Hunt, Rex Harris, Benjamin Spurgin, G. E. Wilhite, A. J. Terrill, and Mr. Welch.

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Q. Mr. Petitbon, what do you think of the INA School for Agents?

A. Does a marvelous job of teaching the basics of insurance. I was especially impressed with the esprit de corps. It's a must for any young fellow starting in the agency business.

Q. What impressed you most?

A. The teachers don't stop until you get the subject matter — a quality I've noticed in all good teachers and football coaches I've ever known.

Q. Do you recommend the School to others?

A. Very definitely, it is the key to professional effort in this business. As I advance, I hope to take one of the refresher courses.

Q. Why is the School the "key to professional effort"?

A. The INA philosophy on competition is realistic. "Sell service — but be sure that your policies are in the same price range as competing mutuals or direct writers." The School gets that across strongly.

Q. Is insurance a rewarding experience for you?

A. After years of playing football with Notre Dame, and later, with the Cleveland Browns, I miss some of the thrills of sport, but I am building future security for myself and find great satisfaction in selling INA Homeowners and other package policies.

Q. Would you care to advise other young men about the merits of the Insurance Company of North America School for Agents?

A. Certainly. Just tell them to write me: John Petitbon, C. A. Sport and Company, Inc., Commerce Building, New Orleans, La.

INA

## Direct Billing Builds Business, Is Accepted Readily By Customer, Mutual Group Told



Robert F. Steinke

CHICAGO—Direct billing—with all spectres these words conjure up—has been alternatively damned and praised for so long by different segments of the insurance business that it seems difficult at times to view its impact and importance with dispassion. Is direct billing synonymous with direct writing? Is direct billing even a giant step toward direct writing? Robert F. Steinke, production manager of the Celina Mutual group, answered both of these questions with an emphatic "no" as he analyzed direct billing programs—he prefers the term "company billing"—for the sales and agency conference of Conference of Mutual Casualty Companies here.

Mr. Steinke, speaking from the background of his experience with a company group which is committed to company billing, believes that these programs represent a "melding of the best of agency system methods and philosophies with the tested methods of successful direct writers."

He pointed out that underlying the fear and resentment of most opponents of direct billing is the belief that once a company adopts such a system it is only one step away from divorcing

agents' vested rights in renewals. "Maybe the assurance of the sanctity of the agency agreement would alleviate an agent's doubts about the fidelity of the company," he declared. He made it clear that it is not ownership of expirations which companies adopting direct billing programs seek, but rather more efficient operating methods and lower premiums.

He scoffed at the suggestion that members of the public "demand" one system over another. However, he went on, there has clearly been "acceptance" by the public of all kinds of policies, all kinds of systems—particularly when price is a factor—that have been offered by enterprising companies with novel ideas.

And, regardless of the opinions of different factions within the business, the public will be the arbiter of which system is to prevail. "The public has accepted favorably the continuous policy, direct billing system, and, contrary to what many agents state, policyholders do not object to mailing remittances directly to companies. Whether we like it or not, the public will be served either by companies and agents on the agency system or by the direct writing companies which use efficient and less costly systems that result in lower rates . . ."

Companies have been forced, as a competitive measure, to adopt more economical operating techniques—including direct billing—and more agents every day recognize the advantage.

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## America Fore Loyalty To Publish Directory For NAIA Annual Meet

America Fore Loyalty will continue its custom, adopted in 1933, of publishing the directory of delegates and guests attending the National Assn. of Insurance Agents annual meeting in Dallas next week.

The directory will give agency or company affiliations and home business addresses in addition to hotel room numbers. It will include all those who register before five o'clock Monday afternoon, Sept. 25. Guests who register for the convention before they are assigned a hotel room will be able to phone their room number to America Fore Loyalty's directory desk as soon as they know it.

The directory will be printed Monday night so that it can be distributed Tuesday morning. In the past the directory was handed to delegates as they entered the meeting rooms on Tuesday morning. This year it is expected that the book will be ready early enough so that it can be delivered to the door of each room of the Statler Hilton, Sheraton Plaza and the Baker Hotels. Guests from other hotels will obtain it in the usual way.

This year's directory will group names by home state so that delegates can more easily communicate with others from the same state.

## NYFIRO Makes Rate, Rule Dwelling Changes

New York Fire Insurance Rating Organization has revised rates and rules on one, two, three and four family private dwellings effective Sept. 18.

The rate change amounts to an average increase of approximately 0.5%. In New York City, rates are lowered on one and two family homes and slightly increased on three and four family dwellings. In the rest of the state, there is no change on one and two family houses and a small hike on three and four family units.

By rule changes, rates are now provided on one and two family dwellings apart from rates on the three or four family structures. Previously, these were all one class. There will now be separate codes for underwriting experience.

Public protection requirements for class rated private dwellings have been materially liberalized on the principle that the class does not require the protection needed by industrial, commercial and institutional risks. Previous rules limited recognition of protection to within three miles of a fire department station and 600 feet from a public hydrant. These are now extended to five miles and 1,000 feet, respectively.

A new protection class—CC—replaces the "part-protected" class in metropolitan territory and is introduced in the rest of the state. With regard to dwelling property, class CC protection is based on water supplies—previously not recognized as providing hydrant protection. Class CC dwelling rates are protected rates and are lower than unprotected class C rates.

A revised community classification list has been published, including a new list for the metropolitan division territory which formerly used protection boundary cards.

The new rules contain a classification and form chart which, with the classification list, gives the policy

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## Jeffers Points To Sophistication Of Today's Buyers

### Mutual Casualty Companies' Sales Meeting Features Life, Package Policies

By ROBERT C. DAUER

If anyone keenly aware of the problems confronting sales-minded and agency-oriented insurance men were to list at random the 10 most pressing of them, it is a good bet that most were covered during the annual sales and agency conference of Conference of Mutual Casualty companies last week at Chicago.

It is difficult to conceive of any program agenda more clearly mirroring the issues currently vexing both companies and agents. Among the subjects discussed were new package contracts, merchandising life insurance to property and casualty agents, direct billing, the changing role of the field man, psychological testing of automobile insured, insurance marketing and agency perpetuation.

### Conference Is Divided

The conference—composed of some 91 companies—is unique in several respects. For one thing, this is an organization which never ducks an issue. It is not a sounding board for platitudes. It is one group, too, in which ideas are shared. Speakers let their hair down. Comments from the floor are frank. Speakers are concerned not so much with theory as with practicality.

The conference is divided between companies operating through exclusive agents and those which adhere to the agency system.


A highlight of the conference was the talk by Dean W. Jeffers, vice-president Nationwide Mutual, who described in detail innovations the business has witnessed in recent years in products, distribution patterns, and pricing systems. Pointing to the sophistication of the average insurance buyer today—as a result of the enormous advertising and publicity job the companies have done in recent years—he said that the buyer, as he learns more about insurance and insurance companies, is rapidly becoming much more demanding of those who are to

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## Mo. Agents Plan Annual Program

Missouri Assn. of Insurance Agents will hold its annual meeting Oct. 8-10 in Jefferson City. The convention will kick off with an association clinic moderated by William K. Lakenan, Perryville, president of the association.

Nominated for officers during the next fiscal year are Morris S. Fogel, Kansas City, for president; H. Roland Bieser, St. Louis, for vice-president, and Maurice Dunklin, Cape Girardeau, for secretary-treasurer. H. Hall Rice, Columbia; C. Robert Scott, Sikeston; George Kerdolff Jr., Kansas City, and William P. Carleton Jr., St. Louis, have been nominated for directors.

Jack C. Taylor, editor Missouri Alumnus, will ask: "Are Insurance Agents 'Really' Necessary?" Robert Burns, president American Agency Management Bureau, and Eugene A. Toale, secretary Recording & Statistical Corp., will analyze automated agency accounting.

At an awards luncheon, Howard J. McGuff, resident manager of Maryland Casualty at Kansas City, will present the outstanding local board award, and Donald Tilton, St. Joseph, chairman of the association's education committee, will present the association's \$500 insurance scholarship.

H. H. Nelson, Council Bluffs, Ia., a member of the NAIA executive committee, will give a talk entitled "What's Your Independent Future?" Dayson D. De Courcy, assistant superintendent of sales promotion Travelers, will speak on "Life Insurance—A Get Tough Obligation." "How's Your 'Independent' Service?" is the title of a talk to be presented by Roy A. Dufus, Rochester, N. Y.

Thomas H. Lawrence, Kansas City, will lead a seminar on personal development. One on the new brokers qualification law, effective Oct. 13, will also be featured.

The convention will conclude with an address, "Don't Just Sit There—Do Something," by Daniel R. Blount, sales training director International Shoe Co.

## United Pacific To Expand Home Office Facilities

United Pacific group has purchased the four-story Griggs Building, directly across from its home office in downtown Tacoma, and plans are under way for immediate renovation to provide expansion of home office facilities. More than \$200,000 will be spent on the initial project, including cost of the building and renovation of the two lower floors.

Existing facilities on the two top floors will be used at present for parking and storage, to be converted to office space as expansion is required. An air conditioning system will be installed and the exterior of the structure will be resurfaced to correspond with the main United Pacific Building. Construction is scheduled to start Nov. 1.

## NE Okla. CPCUs Elect

Norman S. Casey has been elected president of the northeastern Oklahoma chapter of CPCU. Mr. Casey is an agent at Tulsa. Other officers are: Vice-president, Donald S. Drehr, Oklahoma General agency, Tulsa; secretary-treasurer, Miss Doris L. Greenlee, Alexander & Alexander.

The chapter is sponsoring educational courses at the University of Tulsa this year beginning Sept. 18.

## Young Heads GAB Casualty Operation

J. G. Young has been named to head the national casualty claims operation of General Adjustment Bureau. He has been in charge of the casualty operation of GAB's western department.

Mr. Young started with Western Adjustment in 1951 and established a casualty division. He wrote a casualty manual and set up the casualty adjuster training program for Western. He established regional casualty claim supervision in 19 cities. When Western merged with GAB, Mr. Young became division manager in the western department.

A law school graduate of the University of Nebraska, Mr. Young was with Employers Liability at Omaha and Akron, starting in 1933. From 1947 until he joined Western Adjustment, he was claims manager at Chicago of Employers Liability.

United Bonding of Indianapolis has declared a 10% stock dividend payable Sept. 29 to stock of record Sept. 1.

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## Cal. Agents Ready Annual; To Feature Speech By Cubbedge

Keynote speaker at California Assn. of Insurance Agents' annual convention Oct. 30-Nov. 1 in Los Angeles will be Cooper Cubbedge, who will by then be president of NAIA.

Among other program headliners will be Joseph Alioto and Melvin Belli, prominent attorneys. William Glassick, a past president of the California

association, will lead a workshop on electronic data processing.

Eugene Toale, secretary Recording & Statistical Corp., will moderate a panel on elimination of credit losses. A special I-Day luncheon will be held. It will feature W. Cleon Skousen, author of *The Naked Communist* and other books.

### Entertainment Scheduled

Professional acts and music for dancing by Arvon Dale and his orchestra have been scheduled for the closing-night banquet. For the ladies, there will be a punch party honoring

wives of association officials, a "Day with the Stars," and an afternoon with Ethel Merman.

Hosts for the convention will be the Burbank, Glendale, San Fernando and Verdugo Foothills associations.

### Zurich Appoints William Dobson

Zurich has named William J. Dobson individual health sales representative at San Francisco. Mr. Dobson has been sales manager of the health department of Continental Casualty there for the past three years. Before that he was with Washington National in Evanston for four years.

## Great American In Great Awards Plan For Its Producers

Great American is conducting from Oct. 1 to Nov. 15 a "great awards" program for its producers.

An extensive portfolio of awards is being offered, ranging from quality household furnishing and equipment to luxury items such as still and movie cameras, clothing, TV sets, hunting equipment, silverware, do-it-yourself kits and many others. Agents accumulating sufficient points can also apply them to award trips to vacation spots ranging from the West Indies to New Hampshire.

Six grand prize trip awards are being made to producers, with luxury trips for two to Mexico, Hawaii, Puerto Rico or Bermuda. To insure fair treatment to all competing producers, they have been divided into six groups: Cities of one million and over; cities of 600,000 to one million; 250,000 to 600,000; 75,000 to 250,000; 20,000 to 75,000, and those with population up to 20,000.

Classes eligible in the contest are fire and allied lines; inland marine; commercial auto; multiple peril packages; general liability; A&S; burglary and plate glass, and fidelity.

Eight basic prize points will be awarded for every one dollar of new premiums written in the eligible classes, with effective dates falling within the campaign period. In addition, bonus points will be awarded for new premiums on certain lines within eligible classes. The merchandise and travel awards bear a specified number of points necessary to earn them. Producers can earn as many merchandise or travel awards as their point scores indicate.

## Insurance Unit Of Credit Group In Renewed Program

The national insurance committee of National Assn. of Credit Management will hold its annual fall meeting Sept. 29 at the Advertising Club, New York. New chairman of the committee, which formerly was known as the National Insurance Advisory Council, is Peter A. Zimmerman, assistant secretary of Surety Assn. of America.

A special advisory group to the committee, consisting of past chairmen and committee members, has recently been established, with Wallace E. Jeffrey, Marsh & McLennan, New York, as chairman.

The insurance committee, Mr. Zimmerman reports, is preparing for an unusually active year, marked by a new program of regional meetings and the formation of a number of regional insurance advisory councils. There will be a stepped-up interest in insurance activity at the local level in cooperation with local surety and insurance association, continuation of the speakers bureau program, and participation in the I-Day at the annual National Credit Congress. In addition, the October issue of *Credit and Financial Management*, NACM monthly magazine, will be devoted entirely to articles on insurance. This will be distributed to over 40,000 credit association member firms nationwide.

## N.Y. Federation Meet Set

Insurance Federation of New York will hold its annual luncheon Nov. 30 at Hotel Astor, New York. Rep. Miller of Niagara County will be the speaker. Donald J. Mullen, assistant vice-president of Marsh & McLennan, is chairman.



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## Card Set For Meet Of Mutual Insurance Companies at N.Y.

National Assn. of Mutual Insurance Companies will hold its annual meeting Oct. 1-4 at the Statler-Hilton, New York, with 12 mutual groups convening during this period.

On Monday, speakers will be Superintendent Thacher of New York; Leonard E. Read, president Foundation for Economic Education, and Ardell T. Everett, 2nd vice-president Prudential, who will discuss health insurance.

Two days of meetings will follow for the five conference sections of NAMIC—casualty, crop hail, farm fire, farm windstorm and fire and allied lines.

A clinic conducted by Ira Laird, Laird-Hagee, Harrisburg, Pa., will open the farm fire and windstorm conference. J. Roberts Doe, executive vice-president Springfield (Mass.) Bank for Cooperatives, will be opening speaker on the second day. Farm reinsurance will be the topic of a panel with Stewart Mittnacht, vice-president Balis & Co. at Chicago as chairman. Participating will be George F. Rutledge, assistant secretary Farmers Mutual Hail of Iowa; Donald Bowerman, Booth, Potter & Seal, Philadelphia, and L. G. Keeney, president Farmers Mutual Re, Grinnell, Ia.

### Wide Ranging Topics

W. H. Rodda, Transportation Insurance Rating Bureau, will cover the challenge of the farmowners policy, and Guy Ferguson, Chicago personnel

(CONTINUED ON PAGE 16)

## Greene With Buffalo In High Fire Post

Vernon D. Greene has joined Buffalo as manager of the fire underwriting department's eastern division at the home office.

He began his career in 1933 with Lumbermens Mutual Casualty. In 1937 he joined Berkshire Mutual Fire of Pittsfield, Mass., and progressed to vice-president and secretary. Mr. Greene went with Guarantee Mutual Fire of Springfield, O., in 1957 and when it was reinsured by Merchants & Farmers Mutual of Worcester he became vice-president of the renamed company, Guarantee Mutual.

## Program Ready For Annual Of North Dakota Agents

North Dakota Independent Insurance Agents Assn. will hold its annual meeting Oct. 12-13, Elks Club, Fargo. Activities begin Thursday evening in the American Legion Club with a cocktail party sponsored by North Dakota Capital Stock Insurance Assn.

The formal program will begin with a general session Friday morning, which will include the annual business meeting, various reports, and election of officers. Roy A. Duffes, secretary James Johnston agency, Rochester, N. Y., will then speak on the organization of a successful insurance agency. The luncheon speaker will be V. G. Lowe Jr., general manager Minnesota Workmen's Compensation Bureau and of assigned risk plan for Minnesota, North and South Dakota.

In the afternoon, there will be a skit—"The Fieldmen's Hour"—and discussion by North Dakota Capital Stock Insurance Assn.; another talk by Mr. Duffes, and a reconvening of the business meeting for a report of the resolutions committee and final convention business. At the banquet that evening, the principal speaker will be Harold J. Cummings, president Minnesota Mutual Life. There will also be a floor show and dancing.

A special ladies program has been planned for Oct. 13, which includes a champagne brunch, style show and tour of some of Fargo's show-place homes.

## Hanover Hikes Dividend

Hanover has increased from 50 cents to 55 cents the quarterly dividend payable Oct. 2 to stock of record Sept. 20. There are now 1,003,910 shares of \$10 par stock outstanding. Assets of the group at June 30 were \$152,195,362 and policyholders surplus increased to approximately \$48 million.

## Gold Takes Exception To Anti-Trust Report

Commissioner Gold of North Carolina has taken public exception to the espousal of no prior approval by the Senate anti-trust subcommittee in its recent report.

"I am very much opposed to insurance companies charging whatever rate they want to and then getting approval. The public would be gouged under such a system," the commissioner said.

Mr. Gold made no comment on the subcommittee's suggestion that the Department of Justice investigate a "monopoly" created by the 1961 statute eliminating auto liability deviations in North Carolina. He left no doubt of his belief that state regulation has worked well in North Carolina.

## Hartford Fire Issues New School Fire Safety Manual

Hartford Fire has published Fire Prevention and Safety, a teaching manual for elementary schools.

Prepared by the editors of Grade Teacher Magazine for Hartford Fire, the booklet has been reviewed and commended by International Assn. of Fire Chiefs.

Various sections of the booklet, designed to help curb the nation's 300,000 annual home fires, provide the teacher with seasonal source material for the entire school year; a science unit on the chemistry of fire, and a unit covering fire prevention on the farm, in the school and in the community. The manual can be used independently or in conjunction with the Junior Fire Marshal program, which Hartford Fire sponsors nationally through its agents in some 15,000 elementary schools.

The booklet is being distributed free to teachers of some four million children in the third through the fifth grades by Hartford agents who sponsor the Junior Fire Marshal program.

## Mount, O'Connor Advanced By Hartford Steam Boiler

Hartford Steam Boiler has appointed William B. Mount supervising special agent at Philadelphia, and Bernard J. O'Connor Jr. office supervisor at the New York branch.

Mr. Mount joined the company in 1957 and upon completion of a training program at the home office and the Hartford branch was named special agent in Philadelphia. Mr. O'Connor joined the company in 1958. Previously he has been at Boston.

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## Eyes Issue Of Prior Approval And Bureau Against Independents

Should the power and responsibility of checking, investigating, and approving fire and casualty rates be taken from state commissioners? This has become a national controversy, C. Goodman Jones of Bluefield, W. Va., told the mutual agents of that state during their annual convention at Huntington. He noted that National Assn. of Mutual Insurance Agents and National Assn. of Insurance Agents are defending this power of the commissioners.

However, strangely enough, he said, as bureaus have become more liberal, the insurance departments have become stricter in the appraisal of bureau filings. The ironic result is that an independent company can go into a state, file independently, and in most cases get approval without much trouble. A bureau under similar circumstances is subject to a great deal of scrutiny and as a result has a lot more trouble getting approvals of filings.

### More Volume

This is apparently because bureaus tend to represent a great deal more premium volume. But this reason is rapidly disappearing because bureaus are becoming less and less representative of total premium volume, Mr. Jones said. In some states they represent less than 50% of some classifications. In any event, presently the bureaus want to remove the requirement of prior approval of rates so that they can get rate filings approved as quickly as can the independents. Obviously, this is for competitive reasons and one can hardly blame them for wanting it, Mr. Jones said.

He noted that independents under the more liberal casualty laws have garnered a large volume of the automobile business, but under the stricter fire laws they have been relatively unsuccessful. Independents also have long contended that their attitude toward liberal rates and forms has been a boon to the public because it provided free and open competition. Some of the improvements can be attributed to the independents. But improvements in coverages and rate making were going along steadily for many years before the independents arrived. There was probably a greater liberalization of coverage in the 10 years prior to World War II than there has been since, he said.

### Doubts Lower Cost

It is also claimed that freedom of rate regulation has made for lower cost to the public. Mr. Jones questions this. In most instances, rates have been going up. For example, in automobile there is strong evidence that it has served to increase the base rate for the run-of-the-mill risk while offering inordinate reductions to those classes considered select. The cost of insurance has increased steadily in the past 15 years, during a period when there has been more competition than ever before, except in fire insurance where there has been perhaps less competition but where the rates have been steadily declining.

He concluded that a more orderly rate making process, one that does not permit the multitude of classes which have grown up in the automobile field, would produce a healthier rating situation.

## State Farm To Build 19th Regional Office At Winter Haven, Fla.

State Farm Mutual Automobile will construct its nineteenth regional office at Winter Haven, Fla.

Construction of the million dollar, 80,000 square foot building will start as soon as detailed plans are completed and contracts signed. Opening date is tentatively scheduled for Sept. 1, 1962. The office will serve State Farm's central and southern Florida policyholders. The northern part of the state will continue to be served by the southeastern office at Jacksonville. The Jacksonville office also serves policyholders in Georgia and South Carolina.

Design of the Winter Haven office will be similar to the red brick, colonial-modern patterns of State Farm's other regional office buildings located at Salem, Ore.; Berkeley, Cal.; Santa Ana, Cal.; Lincoln, Neb.; Dallas; St. Paul; Columbia, Mo.; Bloomington, Ill.; Marshall, Mich.; Murfreesboro, Tenn.; Birmingham, Ala.; Newark, Ohio; Springfield, Pa.; Charlottesville, Va.; Lafayette, Ind.; and Toronto.



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## Eyes Income Possibilities And Other Values Of Surplus Market

A practical rather than an academic discussion of the surplus market was presented by Jack Neubauer, Newark surplus lines broker, at the annual meeting in Atlantic City of New Jersey Assn. of Insurance Agents. Mr. Neubauer's stress was on how surplus lines can put money in the producer's pocket.

He started with the assumption that the agent conducts his business on a professional level, does account selling, periodically reviews each client's insurance program and recommends improvements in it. Based on these premises, use of the surplus market can increase agency income by enabling the producer to write

an increased volume of business.

Increased volume can come through tailor made contracts, distress business of conventional types, and unusual coverages which have become standardized in the surplus market, Mr. Neubauer explained.

### Tailored Program

The tailor made contract is the most interesting and the most difficult approach, since to design such a form, the agent must think. However, tailored contracts are not necessarily complicated. They are merely drawn to

fit a specific situation.

Mr. Neubauer gave two case histories from his office. The first involved placing errors and omissions for a Newark firm which held itself out as insurance advisers. Neither the firm nor any employee holds an agents' or brokers' license. For that reason, Mr. Neubauer was told, the firm was not eligible for the cover sought.

He queried his London correspondents and found that coverage was available on reasonable terms. All the London underwriter did was take the standard form, strike out the words "brokers and agents," and substitute the word "advisers." This contract was placed five years ago. Insured is happy to have coverage considered unavailable, and Mr. Neubauer is happy with the renewal commissions.

His second case was more difficult. The producing broker wished to place a truly "all risk" policy to insure the U. S. distributor of a Swiss precision-manufactured oral thermometer. This retailed for \$10, was guaranteed by the maker as unbreakable and as absolutely accurate, without time limitation.

### Own Serial Number

Each thermometer had its own serial number. Evidently, to help sell the item, the distributor wished to guarantee to replace it if for any reason it was damaged, destroyed, lost or stolen within two years of the date purchased. Since the manufacturer guaranteed the good workmanship of the article, Mr. Neubauer's only problem was to design an inland marine form to cover all fortuitous losses. Unlike the case of the insurance advisers, where one letter to London and one reply solved the problem, this case involved at least four letters each way across the Atlantic. Finally, the all-risk cover, excluding war risks and the guarantee of workmanship was worked out.

### Distress Business

The two cases differ in another aspect, Mr. Neubauer observed. The errors and omissions for the insurance advisers has been renewed four times, while the distributor's cover was not renewed on first expiration. It would appear that there is little demand to date in the U. S. for \$10 thermometers.

Turning to a second area of discussion—distress business of conventional types—Mr. Neubauer noted that fire and extended coverage is readily available without difficulty from admitted companies for almost all locations and occupancies and for amounts running to seven or eight figures.

However, the agent has the problem of where to place the mattress factory; the farmers' market; the unprotected

(CONTINUED ON PAGE 38)

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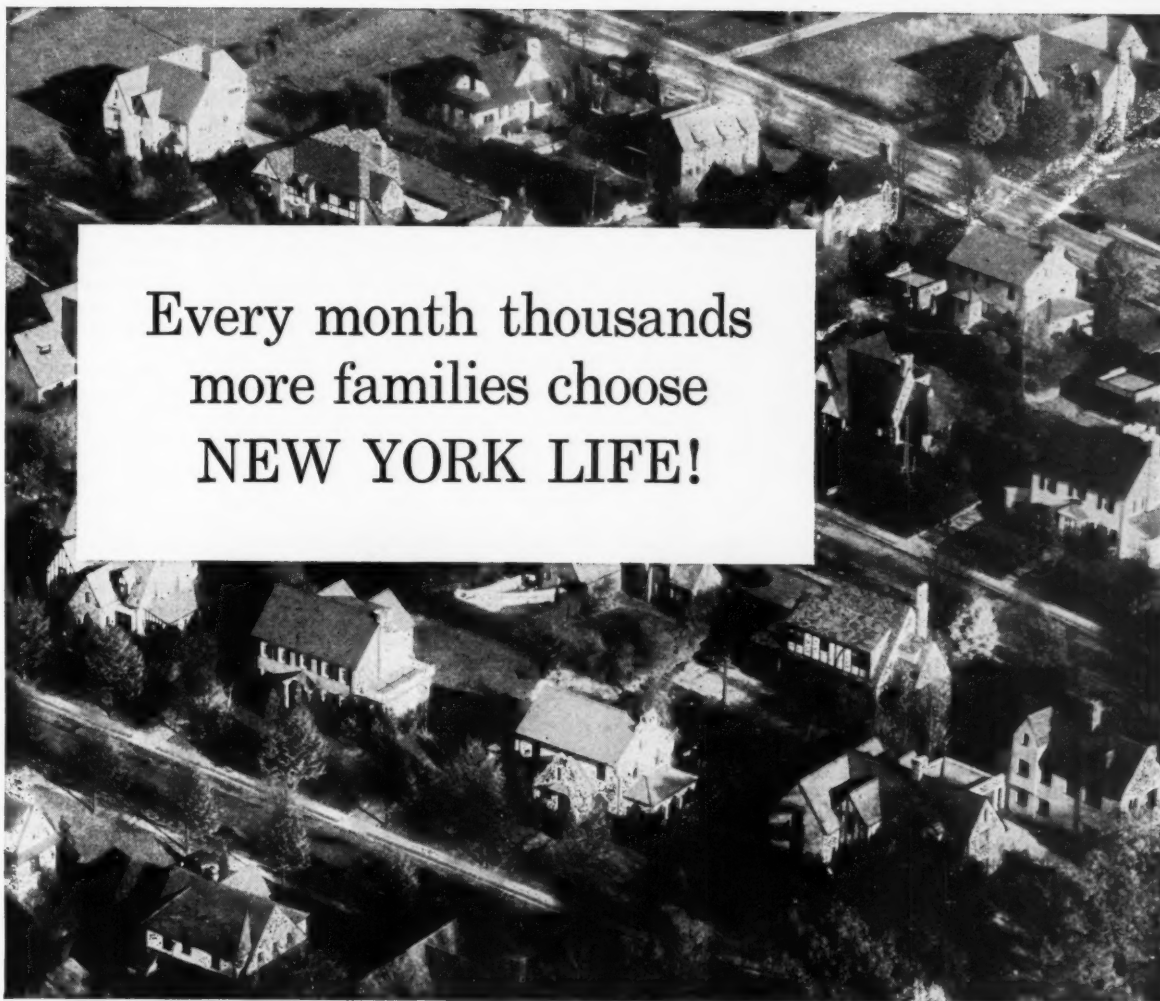
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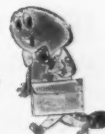


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## Urge Sears Exit In Md. As Company Pensioner

Hyman A. Pressman, Baltimore attorney, has demanded that F. Douglass Sears, Maryland commissioner, disqualify himself for the job because he is a pensioner of Great American. In a telegram to Gov. Tawes, Mr. Pressman urged the immediate removal of Mr. Sears.

As the basis of his demand, he quoted a section from the state law to the effect that no person, directly or indirectly interested in any insurance

company, except an insured, shall be eligible for appointment as commissioner.

Mr. Sears pointed out that Great American's pension is controlled by a New York bank, acting as trustee. Regardless of any action he might take in his present office, the insurer could not change by one penny the amount he receives under his pension. Moreover, he paid for the pension while an employee of Great American. There is no conflict of interest, Mr. Sears maintained.

Maryland Assn. of Insurance Agents

has come to the defense of Mr. Sears and has informed the governor that he is doing a fine job for the people of the state.

## Great American Names Engle At Valparaiso, Ind.

Great American has appointed William A. Engle special agent at Valparaiso, Ind. He will be associated with Special Agent Robert Jeffers who assumed full responsibility of that office following the resignation of Charles Nye to enter the local agency business.

## Michigan Tops School Driver Training Awards

Insurance Institute for Highway Safety has given achievement awards to six states for 1960-61 high school driver education programs. They are Delaware, Florida, Kansas, Maine, North Carolina, and Utah.

Michigan received an excellence award—the first state in the history of the program to attain this honor. Michigan set a national record by having more than 90% of its schools offer a qualifying driver education course to more than 90% of its potential high school students for three consecutive years.

The states which won achievement awards had at least 60% of their public high schools providing qualifying courses to at least 60% of eligible students.

Participating in the program were 48 states and the District of Columbia. The program is recognized by the President's committee for traffic safety as the annual measurement of high school driver education progress throughout the country.

The institute reports that 71% of the nation's public high schools offered a course in driver education, and 53% of the schools offered courses which met or surpassed nationally recommended standards. Of the more than two million public high school students who reached legal driving age during the last school year, more than one million were enrolled in a driver education course, and 39 were enrolled in a qualifying course.

In the 20 states which reported on non-public high school driver education, 23 offered courses in driver education in which 21% of eligible high school students were enrolled. Approximately half of these courses met nationally recommended standards.

## Central Mutual Has New Central Division Office

Central Mutual of Van Wert has established a new central division office to serve all agents in the home office territory. The new operation will have headquarters in the home office, effective Oct. 1. It will operate autonomously, with full underwriting, sales and claims authority. Herbert D. Kephart, central agency secretary, will be manager. He will be assisted by Paul W. Purmort Jr. as underwriting manager, A. W. Schult as claims manager, and Robert W. Muntzinger as sales supervisor.

## R. H. Brooker Promoted

Hartford Accident has named Robert H. Brooker superintendent of the bond department at Des Moines. Mr. Brooker joined the company in 1956 at the home office. Named bond special agent in 1957 at the northwestern department at Minneapolis, he was transferred to Des Moines in 1959.

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## Minn. Agents Hear Of Travelers' Strong Support Of Agency System

Strong, continued support for the American agency system as one of the last strongholds of a truly free and competitive system of distribution was voiced at the annual meeting of Minnesota Assn. of Insurance Agents.

Vice-president V. V. Roby of Travelers, said he did not believe a company could ever acquire the intimate knowledge of the market that the independent agent possesses. There is strength in this partnership between agent and company if both fulfill their tasks wisely and with respect and confidence in each other.

"I have heard no member of our industry who occupies a responsible position prophesy the end of the American agency system," he said. "I have heard everywhere a great desire expressed to strengthen and improve the system."

Mr. Roby pointed out that all is not well in the business. The price cutters, the specialty companies, the direct writers have moved into the peaceful Garden of Eden, and all are less innocent and naive than was the case in days gone by. The market has grown; the pressures of price cannot forever be withstood. The inflationary spiral has sent losses skyrocketing.

### Notes Quiet Revolution

However, he said, a quiet revolution has been taking place that is gradually but surely shoring up the agency system and giving it new strength and new hope. "For almost a decade now, we at Travelers have been engaged in the greatest facelifting program of our almost 100-year history. We have been trying to take a sturdy old war horse which has been through many successful battles and turn it into a space vehicle."

Mr. Roby explained that following the post war boom it was evident that a new shape of marketing was emerging. Retailing had to shift gears to meet the needs of the times. The era of the discount house had arrived. And relative newcomers to the business began to apply new techniques of retailing to insurance.

Mr. Roby said that as a means of meeting the new marketing demands, Travelers introduced in 1957 its new premium budget plan—a method by which policyholders could pay for all their insurance on one monthly payment plan, much as they did for telephone and utilities.

The industry problem of introducing new blood into the agency field was also tackled by Travelers, which began an active recruitment and training program, opening small offices for recruiting, training and servicing

### Employers Mutual Cas. Names Crow In Neb.

Employers Mutual Casualty has appointed Lester E. Crow manager of the Nebraska branch office at Omaha. Mr. Crow has been with Employers Mutual Casualty for 21 years, most recently as assistant manager and chief underwriter of Kansas-Oklahoma territory with offices at Wichita.

At Omaha he succeeds Donald E. Hendrix, who has resigned after 21 years with the company to enter another business. Mr. Crow started in insurance in 1934 with a local agency at Salina, Kan., joining Employers Mutual Casualty in 1941.

young, new independent agents to operate in the best traditions of the American agency system. At the same time special assistance was offered to established agencies which wanted to develop their sales power in suburban areas.

"The third major area of new

strength for the American agency system is that of product development," he added. The independent agent cannot survive unless he is able to come to the market place of 1961 armed with up-to-date products.

The speaker listed numerous product innovations made by Travelers and other American agency companies including the homeowners policy, apartment owners, storeowners, motel owners and farmowners policies as well as the new automobile insurance plans and others.

In discussing the controversial direct

billing question, Mr. Roby said, "Our concept of direct billing is that the business always belongs to the agent. It is simply a case of making available to our thousands of independent producers the opportunity of participating in a great and time saving advantage and, we hope, the economies of our electronic equipment."

He emphasized that this would permit the producer to devote more of his time and energies to the development of his business by freeing him for activities directly related to sales and service.



## LANDSCAPE....FALL 1961

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## Conventions

- Sept. 25-27, National Assn. of Insurance Agents, annual, Dallas, Texas.  
 Sept. 27-29, Society of CPCU, annual, Sheraton Park Hotel, Washington, D. C.  
 Oct. 1-4, National Assn. of Mutual Insurance Companies, annual, Statler Hotel, New York City.  
 Oct. 2-4, Society of Insurance Accountants, annual, Equinox House, Manchester, Vt.  
 Oct. 3-5, Wisconsin agents, annual, Schroeder Hotel, Milwaukee.  
 Oct. 5-6, New England mutual agents, annual, Wentworth-by-the-Sea, Portsmouth, N. H.  
 Oct. 5-7, Arizona agents, annual, Bright Angel Lodge, Grand Canyon.  
 Oct. 8-11, North Carolina agents, annual, Carolina Hotel, Pinehurst.  
 Oct. 8-10, Missouri agents, annual, Governor Hotel, Jefferson City.  
 Oct. 8-11, National Assn. of Casualty & Surety Agents and National Assn. of Casualty & Surety Executives, annual, The Greenbrier, White Sulphur Springs, W. Va.  
 Oct. 10, Insurance Economics Society, annual, Edgewater Beach Hotel, Chicago.  
 Oct. 11-12, NAIC president's meeting with committee chairmen and vice-chairmen (executive sessions), and NAIC executive committee special meeting (executive sessions), Edgewater Beach Hotel, Chicago.  
 Oct. 12-13, North Dakota agents, annual, Fargo.  
 Oct. 15-17, Kansas agents, annual, Broadview Hotel, Wichita.  
 Oct. 15-17, Maryland agents, midyear, Emerson Hotel, Baltimore.  
 Oct. 15-18, National Assn. of Mutual Agents, annual, Sheraton-Cadillac Hotel, Detroit.  
 Oct. 16, Rhode Island agents, annual, Sheraton Biltmore Hotel, Providence.  
 Oct. 16-18, Michigan mutual agents, annual, Sheraton-Cadillac Hotel, Detroit.  
 Oct. 16-18, Zone 6 of NAIC, Holiday Hotel, Reno. (All executive sessions).  
 Oct. 17-18, Massachusetts agents, annual, Sheraton Plaza Hotel, Boston.  
 Oct. 19-21, Nevada agents, annual, Reno.  
 Oct. 19-22, Colorado agents, annual, Broadmoor Hotel, Colorado Springs.  
 Oct. 22-24, Ohio agents, annual, Deshler Hilton Hotel, Columbus.  
 Oct. 23-25, South Carolina agents, annual, Francis Marion Hotel, Charleston.  
 Oct. 23-29, Hemispheric Insurance Conference, Lima, Peru.  
 Oct. 25, National Independent Statistical Service, annual, La Salle Hotel, Chicago.  
 Oct. 29-31, Tennessee agents, annual, Andrew Jackson Hotel, Nashville.  
 Oct. 30-Nov. 1, California agents, annual, Biltmore Hotel, Los Angeles.  
 Nov. 2, Connecticut agents, annual, Statler-Hilton Hotel, Hartford.  
 Nov. 2, Fonda Hotel, Santa Fe.  
 Nov. 12-15, Indiana agents, annual, Claypool Hotel, Indianapolis.  
 Nov. 13-14, Illinois mutual agents, annual, Pere Marquette Hotel, Peoria.  
 Nov. 13-15, Health Insurance Assn., individual insurance forum, Sheraton Hotel, Philadelphia.  
 Nov. 5-7, Illinois agents, annual, Chase & Park Plaza Hotels, St. Louis, Mo.  
 Nov. 8-10, American Management Assn., fall insurance conference, Drake Hotel, Chicago.  
 Nov. 12-14, Kentucky agents, annual, Kentucky Hotel, Louisville.  
 Nov. 13-15, Mutual Insurance Technical Conference, Edgewater Beach Hotel, Chicago.  
 Nov. 2-3, Nebraska agents, annual, Cornhusker Hotel, Lincoln.  
 Nov. 13-16, National Assn. of Independent Insurers, annual, Hotel Biltmore, Los Angeles.  
 Nov. 15-17, Casualty Actuarial Society, annual, Palmer House, Chicago.  
 Nov. 16-17, Conference of Mutual Casualty Companies, accounting & statistical, office methods & personnel conference, Conrad Hilton Hotel, Chicago.  
 Dec. 4-8, National Assn. of Insurance Commissioners, Adolphus Hotel, Dallas.  
 Dec. 27-29, American Risk & Insurance Assn., annual, New York City.

### Allstate Appoints Six

Allstate has made six executive appointments in various regional offices: Alfred J. Carzoli, claim manager, and Warren J. Cassidy, assistant claim manager, both at Long Island; Peter M. Williams, policy service division manager, Dallas; Samuel Abruzzino, district sales manager, Shaker Heights, O.; Alexander Marmesh, district sales manager, Santa Ana, and John J. Aberg, field sales manager, Sacramento.

Marsh & McLennan has signed a long-term lease for an entire floor of the 20-story executive office building planned in downtown St. Louis.

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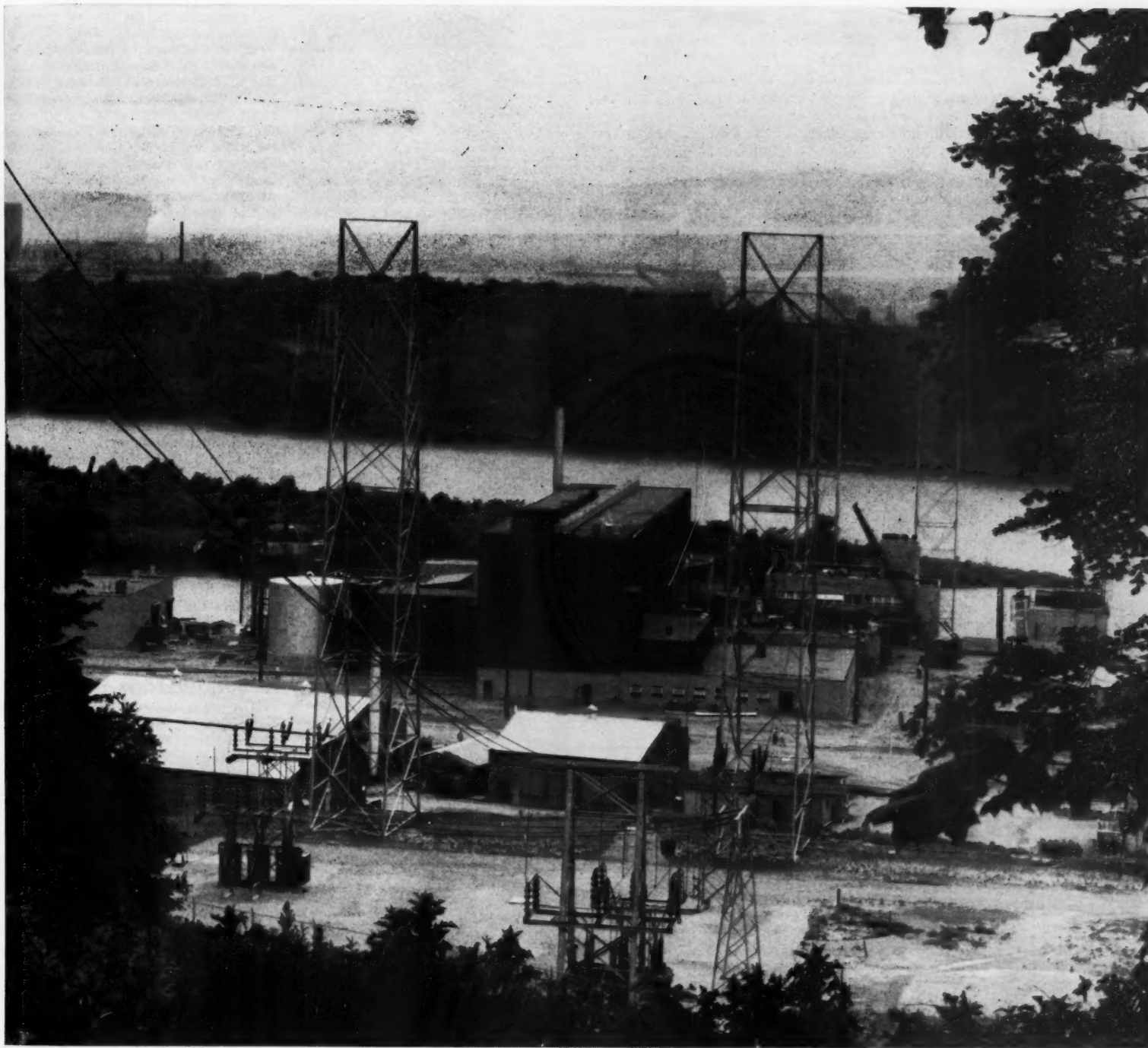
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and special qualifications required for this completely new concept in public utility power.

Many of the special personnel . . . much of the competent underwriting advice was supplied by National Union. This program was developed and written by an Independent Agent, typical of those representing National Union Insurance Companies.



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## Card Set For Mutual Companies Meet

(CONTINUED FROM PAGE 8)  
specialist, will speak on securing office and field personnel. Edward M. Ryan, Dartnell Corp., Chicago, will talk on development and use of procedures manuals.

Committee reports and underwriting specialties will occupy the third day.

The crop hail conference will hold two meetings during the convention. William N. Woodland, executive vice-president New England Mutual Fire Insurance Assn., will discuss communi-

cations. How to shorten the training period for adjusters will be explained by Lee Morrell, training director Country Mutual of Bloomington, Ill.

### Will Discuss Uniformity

The crying need for uniformity is the topic of Charles Lawson, manager crop hail reinsurance division Farmers Mutual Re, while Glen Gharrett, agency supervisor Farmers Mutual Hail, Des Moines, will tell how to compete with stock companies. A panel session

on deferment of losses will have participants from a number of states.

At a joint session of groups at the convention, Dr. Edwin S. Overman, assistant dean American Institute, will look into the future of the property-casualty business by 1970.

Robert S. Barber, West Bend Mutual, West Bend, Wis., and William W. Swayze III, Farmers Mutual of Wilmington, Del., will treat with problems attending the entry of a fire insurer into multiple lines.

The joint session will have representatives of Conference of Mutual Cas-

ualty Companies, Federation of Mutual Fire Insurance Companies and the fire and allied lines conference.

At the midyear meeting of American Mutual Insurance Alliance, its president, H. W. Yount, Liberty Mutual, will analyze current trends and problems in the mutual business. George D. Haskell, secretary Mutual Insurance Committee on Federal Taxation, will view the changing situation in insurance taxation, and H. S. Cherry, of the New York investment counselling firm of Lionel D. Edie, will discuss company investment portfolios under present and prospective economic conditions.

Speaker at the annual advertising sales luncheon will be Walter H. Johnson Jr. of Interpublic. He will cover the growing importance of the marketing concept in business generally. Eugene Mapel, Chase-Manhattan Bank, will describe how this concept has been applied in banking. John N. Cosgrove, associate editor THE NATIONAL UNDERWRITER will outline marketing developments in the property-casualty business.

Additional groups holding meetings will be Transportation Insurance Rating Bureau, Mutual Loss Research Bureau, National Federation of Grange Mutual Insurance Companies and Mutual Insurance Council of Editors.

More than 1,100 delegates and their wives are expected to attend the overall convention. A post convention tour to Europe, arranged for delegates, will begin Oct. 5. The group will visit five countries and four insurance companies on the continent and in England.

## Zurich Names Two In Buffalo, New York

Zurich has made two claim department changes in eastern branch offices: Allison R. Henry, superintendent of the Buffalo claim department, becomes assistant claim manager, eastern department, with offices in New York, and Francis J. Kowalski becomes superintendent of the claim department at Buffalo.

Mr. Henry joined Zurich in 1953 as a claim examiner in New York after five years with Travelers.

Mr. Kowalski joined the company in 1959 in the New York claim department. Last year he was promoted to claim superintendent at New Haven. Before joining Zurich he was with Hartford Accident for 10 years.

## Peruvian Insurance Executive Guest Of Transport Indemnity

Fernando Merino, general manager El Pacifico de Lima, was taken on a tour of Transport Indemnity's home office during a recent exchange visit. Officials of the American company had earlier this year visited Sr. Merino's offices while touring Latin American countries to discuss mutual ideas and problems.

El Pacifico is a multiple-line company with offices throughout Peru. It works cooperatively with Transport Underwriters on problems involving customers whose business interests go outside the borders of their own countries.

## Nationwide Mutual Names Brickels

Nationwide Mutual has named Bruce W. Brickels administration manager of the south central region with headquarters at Columbus, O. He joined the group in 1946 as an underwriter and was subsequently procurement manager and services manager of the Virginia region. Since 1960 he has been services manager of Nationwide General.



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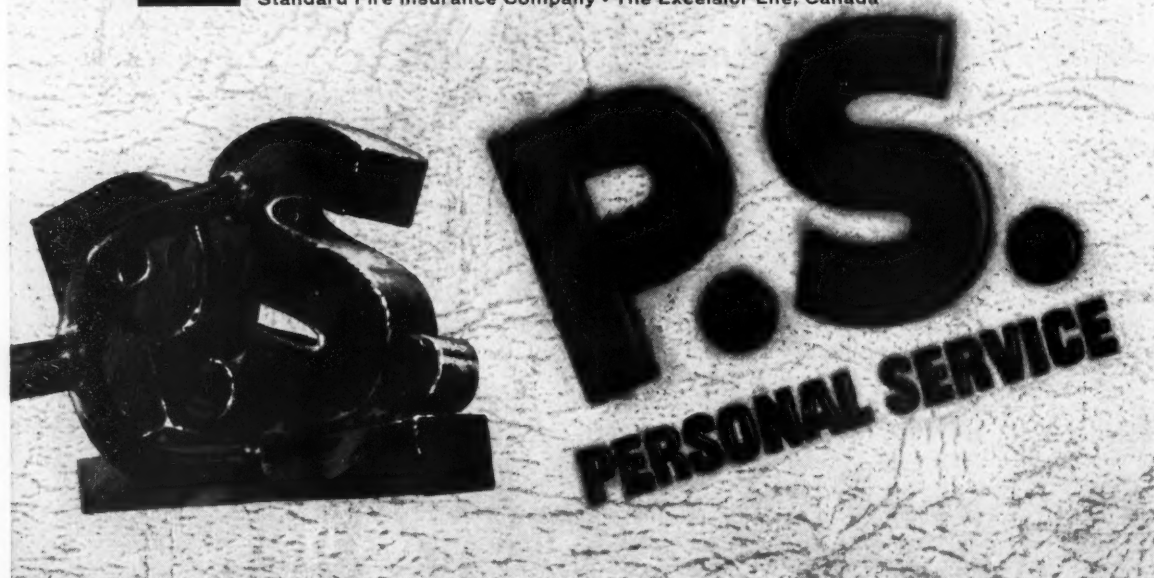
Yes, professionalism is the BIG DIFFERENCE in today's insurance market — a difference that Aetna Casualty's current national advertising theme, "Protection Is A Job For Professionals," strongly emphasizes and supports.

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## Chicago CPCUs Told Of The Polygraph's Insurance Uses

With no period in history comparable to the last 10 years in showing an increase in crime, it is more important than ever before that the emphasis should be on prevention rather than on apprehension.

This was the opinion of John R. Davis, of Leonard Keeler Inc., personnel consultants specializing in the use of the polygraph, or lie detector, as he addressed the September meeting of Chicago CPCU chapter.

Members of the chapter were very much in evidence at this kick-off of the new season and they were rewarded with an interesting program that featured the awarding of book scholarships to four promising candidates for the CPCU designation.

Current officers of the chapter include Frank A. Hohenadel Jr., of F. A. Hohenadel & Sons; Edward D. Bowman, of Stewart, Keator, Kessberger & Lederer, executive vice-president; Richard C. Keller of Fred B. Keller & Sons, vice-president; Mildred R. Marion, Liberty Mutual, secretary, and Warren C. Brockmeier of Homer Gwinn & Co., treasurer.

### Enrollment Is 225

Frank L. Stack, Liberty Mutual, chairman of the chapter's educational committee, reported that total enrollment in the five parts of the CPCU program at De Paul University this year is 225. While this represents a slight drop from last year, he noted, it is due to the screening that the educational committee did; a number of those who wished to sign up for CPCU courses were advised to enroll instead in the Insurance Institute of America courses. It is hoped that the screening process will achieve a lower "mortality rate" among CPCU students.

Mr. Davis, who was introduced by Jack McGuinness, Bankers Life & Casualty, said the history of lie detection goes back to Adam and Eve, but it wasn't until 1923 that a scientific basis was developed. In that year, a psychiatrist named Larsen discovered that the heart rate and breathing pattern are affected when an individual consciously tells a lie.

The machine is never beaten and is 100% accurate, Mr. Davis stated. But its efficiency is predicated upon the operator. The "inconclusive results" one occasionally reads about in the newspapers are generally the result of inexperienced operators; or perhaps, the poor physical condition of the examinee, since reputable polygraph operators will not conduct an examina-



The September meeting of the Chicago CPCU chapter featured the awarding of book scholarships. At the presentation were, from left, Frank L. Stack, Liberty Mutual, chairman of the chapter's educational committee; Frank A. Hohenadel Jr., F. A. Hohenadel & Sons, president, and the four recipients: Richard Borneman, Liberty Mutual; James J. Bacula, North America; Richard Hartig, Alexander & Co.; and Eldred Koenig, Geo. F. Brown & Sons.

tion if the examinee is not in excellent physical condition.

It is in its preventive aspects that the polygraph can be of especial value to insurance companies, the speaker said. One Chicago insurance company, which has a number of letter openers, uses the lie detector periodically to check on these employees since a good many premiums come in as cash.

### California AR Plan Reports

California Automobile Assigned Risk Plan in the 12 months ending June 30, 1961, made 207,219 new and renewal assignments, according to the report of Manager Thomas G. Aston Jr. The 195 insurers or insurance groups participating completed 79,725 new assignments and 112,026 renewals.

Files were closed on 90,345 cases, of which 1,440 were declared ineligible, 15,424 were not taken by applicant, 13,037 were cancelled by insured, and 60,444 were not renewed.

Requests by insurers for cancellation or rejection (no policy issued) occurred 4,025 times, with approved cancellation by the company in 3,887 cases, rejection in 44 cases and request denied 114 times. Only three appeals were taken to the governing committee and one went to the insurance commissioner.

The plan covered 178,350 private passenger vehicles and 8,596 commercial vehicles.

A breakdown of classification of the 79,089 new risks, with some risks classified in more than one group, shows 31% in the under age 25 bracket, 13% over 65, 6% service men, 11% certificated (required to file proof of financial responsibility), 24% with motor vehicle violations but proof of financial responsibility not required, 13% for loss claim frequency, 1% for physical impairment, and 25% NOC. Of the

## Standard Accident Names R. L. Jackson Pacific Coast V-P

Standard Accident has named Robert L. Jackson vice-president in charge of Pacific Coast operations.

Mr. Jackson joined the company in 1936 and has held a variety of positions in bond underwriting and production, both in the field and home office. In 1954 he was made manager of the agency and field coordination department. He was appointed executive secretary of the company in 1956 and assistant vice-president early in 1961.

### Employers Liability Promotes

Employers Liability has named William F. Cox Jr. superintendent of the Nebraska accounts department. He has been with the company since 1958, starting as a field auditor and later becoming assistant superintendent of the accounts department.

General Insurance Brokers Assn. of New York will hold its annual dinner Oct. 26 at the Hotel Astor. Cornelius W. Haarman Jr. is general chairman. J. Victor Herd, chairman of America Fore Loyalty, is again chairman of the Gold Medal Award Advisory Committee.

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## Tells How To Get And Hold Agency Men

Many one-man agencies fail because younger men are not trained to take over the business in the event of the owner's death or disability, Thomas J. McKernan told members of the New York State Assn. of Insurance Agents at their annual seminar at Racquette Lake.

Mr. McKernan, who is assistant secretary of National Automobile Underwriters Assn., cited lack of energetic solicitation and of service on the part of agents in their later years, as prime

reasons for decreased agency incomes.

He recommended that young men be hired and trained while business is at its peak, and the agency is enjoying maximum income.

Certain fears stop agents from bringing in younger men, Mr. McKernan said. One is unwillingness to make the mental adjustment necessary in employing a new man. Another is the fear of wasting time, energy and money on a man who might fail to make the grade. Still another is the fear that

a man who is thoroughly qualified will get acquainted with the customers and leave to start a business of his own. These fears can be overcome by developing intelligent recruitment methods, he said.

### Attracting Prospects

An agent can secure applicants directly by telephone, through an employment agency, newspaper help wanted ads or through contacts in the insurance business. The use of an application form and the subsequent interview are most important in deter-

mining whether an applicant is aggressive enough to assume leadership and participate in community affairs. His desire to learn and his self confidence must also be evaluated, Mr. McKernan emphasized.

Once an applicant is selected, his training can be accomplished through experience, proper guidance, exchange of ideas and by specific insurance education. Mr. McKernan suggested the newcomer's production efforts be concentrated on personal lines, selling the package type policies designed for the mass market.

The agent must realize that if a young man is to stay and be satisfied, he must start off with an adequate income and the realization that eventually there will be an opportunity to share in the agency ownership. It must also be realized on both sides that the young man must prove his worth in order to merit such rewards, Mr. McKernan observed.

A salary commensurate with the recruit's work in the office plus a commission on business produced is one arrangement that can be used. Such commissions average about 5% of gross premiums. Other arrangements such as straight salary, or commissions only, have been used successfully. The agent must calculate production goals in the personal lines at a sensible level which is high enough to pay the new man's salary and expenses, but not too high to discourage him.

### Specific Agreements

It must be expected that the agent will "carry" a new man at a loss for a period of time. The agent should investigate programs developed by some insurance companies to assist in the recruiting, selection, training and financing of new personnel who will specialize in the production of personal lines, Mr. McKernan advised.

Provision should be made for the transfer of agency management, once an individual has demonstrated his competence. This usually will take the form of a buy and sell agreement, Mr. McKernan said. It provides that one person promises to sell at a specified time and the other party promises to purchase. The specified date is usually the death or retirement of the principal.

Each such agreement should be tailored to fit specific circumstances, he emphasized. The contract should contain an agreement on assets and liabilities, purchase price and the method of calculating the price paid at the time of transfer of ownership. He urged that competent legal counsel be retained in setting up machinery for the transfer.

## N. J. Health Agents Sales Congress Program Complete

The annual sales congress of New Jersey Assn. of Health Underwriters at the Military Park Hotel in Newark, Oct. 19, will have three speakers on its program—J. F. Crozier, assistant vice-president of Mutual of Omaha; Jack Olson, vice-president and agency director of Hearthstone of Boston, and Kenneth Brooks, director of sales promotion of Prudential.

## Birdsall In Charge Of WC

Glens Falls has appointed Stephen T. Birdsall, secretary, to officer in charge of the workmen's compensation and liability department. He succeeds John J. Rourke, retired. Mr. Birdsall began his career with Glens Falls in 1931. He was named assistant secretary in 1951 and secretary in 1961.

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## Buckeye Union Field, Home Office Changes

Buckeye Union Casualty has appointed John A. Rourke, manager at Canton, O., to manage the Toledo office. He replaces R. H. Thompson, who has retired after 27 years in the post. Mr. Rourke has been with the company since 1951.

The Akron office has been expanded to include the territory formerly served by Mr. Rourke. George M. Fisher, manager at Akron, will take over the expanded territory.

Richard J. Ruckman, special agent at Mansfield, O., has been transferred to the home office as automobile underwriting supervisor to succeed W. Donald Walter, who has retired after 27 years with the company. Mr. Ruckman joined Buckeye Union 15 years ago as an automobile underwriter.

Ron A. Bracke has been named to succeed Mr. Ruckman at Mansfield. Mr. Bracke had been a rate engineer for Buckeye Union Fire.

John Kelsey has joined the field staff at Detroit. He had been a vice-president of Smith-Lesher agency at Naples, Fla.

## Atlanta Mariners Elect

Mariners Club of Atlanta has elected Joseph Dimmock, Great American, skipper; R. K. Rice, General Adjustment Bureau, mate; Freeman Martin, Commercial Union-North British, officer of the deck; Robert Humphries, GAB, engineer; William Young, Therrell & Co., navigator; Howard Hatch, Commercial Union-North British, purser, and Ben Tucker, American, ship's clerk.

## Van Nuisse Advanced In Pa. By Aetna Casualty

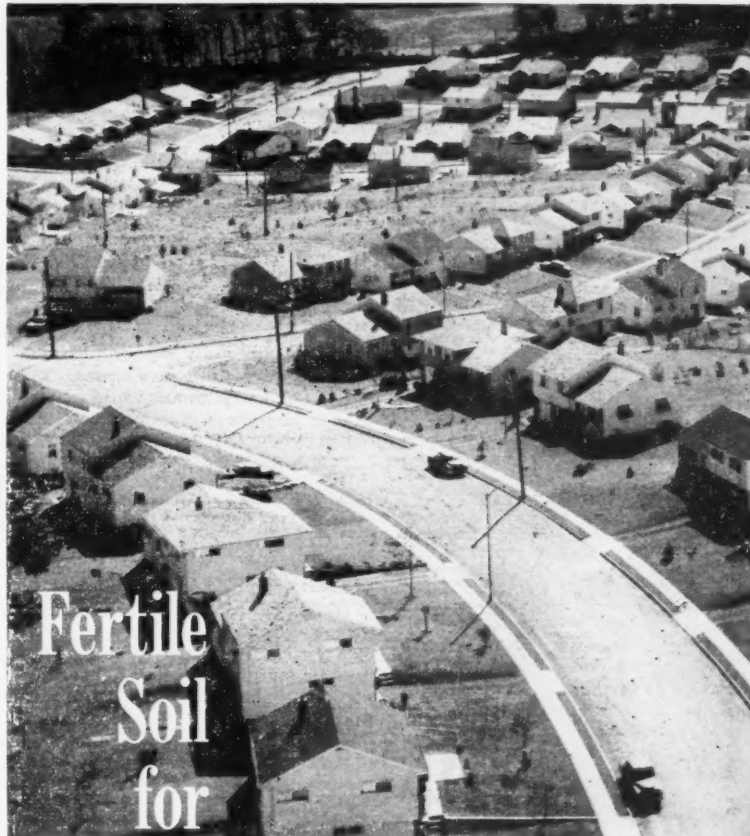
Robert W. Van Nuisse has been advanced from manager to general manager of the Harrisburg, Pa., office of Aetna Casualty. Mr. Van Nuisse joined Aetna Casualty at Newark in 1939 and was later superintendent of the underwriting department at Syracuse, assistant manager at Indianapolis and then at Pittsburgh before going to Harrisburg.

## Western Stock Men Active In Insurance Education

Mountain States Capital Stock Insurance Assn. is cooperating with other insurance organizations in seminars, institutes and other educational activities. The faculty for Colorado Insurers Institute was furnished from members of the association. Members presented the educational program at Pueblo I-Day. A toastmasters club has been organized and is functioning actively.

A recent meeting of the association in Denver featured J. Howard Widdowson, professor at the University of Denver. On Oct. 9, Kent Shamblin, assistant midwest director of Insurance Information Institute, will present an illustrated talk on the activities of III.

A town inspection is planned at Lander, Wyo., in October. The association has requested the cooperation of Wyoming and Colorado field men to assure the success of this venture. Films and speakers are available for schools, service clubs and other organizations. Agents may obtain publicity handouts for newspapers from the association.



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## Life Sales Not Easy, But Worth Effort, Ryan Tells Cincinnati Board

CINCINNATI—In his discussion of the handling of life insurance by a property and casualty agency at the meeting of Cincinnati Insurance Board last week, Robert A. Ryan said that the task is by no means as easy as some people describe it, but, in his experience, it is worth all the trouble involved.

Mr. Ryan, who has sold insurance on a multiple line basis for more than 25 years and now operates his own agency in Cincinnati, pointed out the big change which has occurred during his business career. Where once life insurance companies prohibited or at least discouraged their agents from handling property and liability insurance and many fire and casualty organizations felt the same way, most life companies now have brokerage departments offering almost unlimited assistance to general lines producers. Local agents, beset with rate reductions, dwindling rates of commission, increasing overhead and underwriting restrictions, are looking to the life insurance business for needed additional income.

### Urges Consideration Of Effect

Before plunging into a life insurance connection, Mr. Ryan urged the agent to consider carefully the effect on the public and the effect on himself. In his opinion, it is foolish and bad insurance practice simply to turn one's client list over to a life insurance man and expect to collect commission checks without doing any work. When a policy is sold, the producer is obligated to stick with it. With a life insurance policy, that means for the client's life—and at a low rate of renewal commission. A person's life insurance has to be kept up to date, just as his property and liability insurance does, and an agent who does not make this effort is not giving the client his money's worth. Nor is it easy to keep up to date on life insurance. There are good services available in this field, covering life insurance, taxes, estate developments, laws which affect a person's insurance and estate problems, etc., but the life insurance producer has to study them. Nor should he ignore the fact that most really large life insurance sales are made to middle-aged and older clients and this frequently entails a problem of getting the risk accepted. A declination can upset a producer's entire relationship with a client—property and liability as well as life insurance.

But this, Mr. Ryan said, is a calculated risk and in his opinion the rewards are worth the risk. If a person is willing to entrust his business and home insurance problems to an agent, he will also trust him with his life insurance problems—provided the agent is willing to pay the price of hard work, study and attention to this important phase of the insurance business.

### Adjusters Seminar In Ark.

Arkansas Adjusters Assn. will conduct a one-day seminar Nov. 10 at Little Rock with Dr. Curtis Elliott of the University of Nebraska in charge. Homeowners, conflicts in auto coverages and garage liability policies will be discussed in three lectures at the college level.

The sponsoring organization is Arkansas Adjusters Assn. Agents, adjusters and company men are invited to attend.

## Company Man Foresees Bright Agency Future

A bright future for the enterprising independent insurance agent was forecast by George J. Cleary, assistant secretary agency department Aetna Casualty, in his talk at the annual meeting of Vermont Assn. of Insurance Agents.

Mr. Cleary pointed to several reassuring factors that bode well for the agency system:

—The economic growth of the country and the insurance market will provide increasing opportunities all along the line.

—Neighbors of the independent agent will always prefer to do business with him since he contributes directly to the economic stability of the area and often is a leader in community affairs.

—He is likely to have a better understanding of local insurance problems and will always be better situated to handle them.

—The very fact that the competition is striving to emulate the local service type of operation that the agency system already features is a further indication of the system's strength.

"Much responsibility for the future is in the agent's hands, but he is far from alone," Mr. Cleary said. "The performance of the companies he represents is both important and encouraging."

### Source Of New Ideas

The agents' associations are important channels for communication of new ideas between agents and companies, Mr. Cleary said. When innovations are made it is often as the result of analysis of a problem by an agent or a group of agents. Innovations such as package policies, major medical, old age health coverages and new approaches to automobile insurance are encouraging signs of competitive performance.

"The companies are equipped and leading to the common goal of progress and greater participation in the ever-growing market," Mr. Cleary stated.

National Bureau's broadening of CPL coverage, with respect to automatic inclusion of outboard motors acquired during the policy period, became effective Sept. 13 in New York.

## HIC Monograph On Insurance And Hospital Care Costs Published

A new monograph, "The Role of Insurance Companies in Financing Hospital Care," by Joseph F. Follmann Jr., director of information and research of Health Insurance Assn. of America, has been published by Health Insurance Council.

The 45-page booklet is designed as a source unit on health insurance for hospital administrators and faculty and students of hospital administration. It is being distributed to state committeemen of the council and is being promoted among persons concerned with hospital administration.

Mr. Follmann details in the booklet the distinguishing characteristics of health coverages provided by insurance companies, methods developed by the council to facilitate payments to hospitals, and concludes with an appraisal of hospital utilization, medical expenditures, and rising health care costs and their control.

Copies of the booklet are obtainable without cost from Health Insurance Council, 750 Third Avenue, New York 17, New York.

## Laird-Hagee Organizes New Agency Services Affiliate

Laird-Hagee Co., Harrisburg, Pa., has formed a new affiliate, Agents Service Corp., to provide additional facilities for agents in Pennsylvania.

The first company to join the new firm is Carolina Casualty, which will handle standard fire, long haul trucks, sub-standard auto business, auto risks involving FR form SR-22, and risks not written by standard insurers.

Agents Service also plans to handle excess and surplus lines brokerage business and company reinsurance. J. Ira Laird Jr. is president; Mervin G. Holland Jr. and Walter A. Womer vice-presidents, and J. Ira Laird Sr. secretary-treasurer. Offices are at 22 South Third Street, Harrisburg.

Truck & Heavy Equipment Claim Council, the organization of company and independent adjusters in the transportation field, will hold its next meeting Oct. 2-3 at Chicago Midway House near Midway Airport.

## Albert Willcox & CO. inc.

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## Davies And Jordan Raised By Hanover

Hanover has named Charles T. Davies and Daniel W. Jordan secretaries. Mr. Davis has also been designated assistant to the president.

He entered the business in 1932 with North America and subsequently went with Continental Casualty in the payroll audit division. He joined National Surety in 1946 and advanced to assistant secretary and corporation manager, leaving in 1957 to become casualty superintendent of American Home. Since joining Hanover last February, Mr. Davies has been manager of the organization and planning department and has been coordinator in connection with the merger with Massachusetts Bonding.

Mr. Jordan, with the company since 1930, was made a special agent at Albany, N. Y. in 1947. He was transferred to the home office in 1958 and named assistant secretary.

## D. C. Agents Oppose Ads Comparing Auto Cover Price

District of Columbia Assn. of Insurance Agents has gone on record as opposing any advertising of automobile insurance which states a premium comparison with the basic bureau rate. The term "basic bureau rate" or "bureau rate" is in most cases merely a basis for rating and not the actual cost of insurance. Therefore, any statement of comparative savings is untrue and can only mislead the public, the association contends.

When the association encounters price comparison advertising, it intends first to present complaints directly to the insurance company or agency doing the advertising.

## NFPA Issues Revision Of National Fire Code

National Fire Protection Assn. has published a new and revised seven-volume edition of the national fire codes. These 1961-62 codes incorporate 48 fire protection standards adopted by the association this year, plus 138 other current NFPA standards.

The codes (\$7 per volume, \$40 for the set of seven) are available from the publications department of NFPA, 60 Batterymarch Street, Boston 10, Mass.

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- As the country's largest executive placement service, we can find a man the career opportunity of a lifetime.
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- CADILLAC is where more executives find their positions than any where in the world.

**H. J. ROBERTS,**  
Manager - Insurance

All inquiries and contacts  
are confidential.

## Home Filing Broadens Manufacturer's Output

Home is filing, in states where the manufacturer's output policy is approved, several amendments to the policy rules to permit writing many accounts heretofore ineligible.

Basically, the amendments embrace eligibility; minimum premium; deductibles and optional inclusion of manufacturing locations.

Eligibility, up to now, has only included accounts whose principal activity was manufacturing. Under the amended rules, the term manufacturing includes assembling, processing, stamping and cutting operations.

The annual minimum premium has been reduced from \$5,000 to \$1,000 for all contributing insurance. While these amendments permit the writing of deductibles in excess of the present \$5,000 per occurrence on those accounts where the indicated annual premium produces less than \$5,000, a deductible no greater than \$1,000 will be permitted.

The amendments also permit the writing of manufacturing locations on an optional basis. Previously, the policy did not permit coverage at insured's manufacturing plants except storage areas or warehouses which were distinctly separated from the manufacturing area (except for those items of property eligible for inland marine treatment such as patterns, cameras, scientific instruments, valuable papers, accounts receivable, etc.).

## BI Liability Rates For Ore. Schools Up Sharply

The Oregon department has approved an increase of 100% to 700% in BI liability rates for Oregon schools, effective Sept. 15. The new rates have been made necessary because of the vastly increased exposure to loss resulting from a decision of the Oregon supreme court which in March ruled that schools must sacrifice governmental immunity from lawsuit to the extent that they have liability insurance. The decision means that a school can only be held liable for BI damages up to the amount of coverage it carries.

### ACTUARY FIRE & CASUALTY

With 3-5 years' experience for new rapidly expanding department. Must be an Associate of the Casualty Actuarial Society, or actively completing examinations. Salary commensurate with experience.

Write or apply to  
**THE HOME INSURANCE CO.**  
"A GOOD PLACE TO WORK"  
59 Maiden Lane, NYC Whitehall 3-2252

Top notch insurance company needs men fast. Opportunities for Lawyers, Fidelity, Burglary, and Claims men, Claims and Research Analysis men and Group Underwriters. Write or call Harold Anderson, First Personnel, 28 E. Jackson Blvd., WE 9-7544.

### MANAGER

Our multiple line stock company is in need of a service office manager at Kansas City. We are interested in a man with broad multiple line experience in this area who is able to demonstrate a good record. There is a challenging opportunity and salary is open. Please reply to B-6, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois, for interview.

### SERVICE OFFICE MANAGER

Large stock agency group has opening for a man at Peoria with multiple line experience. Excellent opportunity. Salary open. Write B-7, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

## WANT ADS

Rates—\$25 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing "Situation Wanted" ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

### ANALYST

In our Research and Development department your work in analyzing results, new product development and preparing written reports will keep you in constant contact with our top Underwriting Personnel as well as company officers. A capable person will assume considerable responsibility. A B.S. or a B.A. degree and a good background in underwriting, insurance research, or insurance statistical work are essential. Company has excellent employee benefits. Submit complete resume including salary requirements to A-95, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

### PROPERTY UNDERWRITER

OPPORTUNITY FOR VARIED POSITION IN OUR PROPERTY UNDERWRITING DEPARTMENT. POSITION REQUIRES FROM TWO TO FIVE YEARS EXPERIENCE IN PROPERTY OR MULTIPLE LINE UNDERWRITING. OPPORTUNITY FOR GROWTH BASED ON INDIVIDUAL ABILITY. EXCELLENT EMPLOYEE BENEFITS AND PLEASANT LIVING IN A SMALL TOWN. AGE TO 40. PLEASE REPLY TO:  
**SPRINGFIELD INSURANCE CO.**  
PERSONNEL DIRECTOR  
511 W. STEPHENSON ST.  
FREEPORT, ILLINOIS

Excess and Surplus Lines underwriter wanted. Chicago location. Large agency covering nine states is opening a Surplus Lines department and needs experienced, take charge underwriter as manager of this department. Excellent future and benefits to aggressive, take charge type man. Write or call Ronald A. Martin, President, Allied Exchange Agencies, 1607 West Howard Street, Chicago 26, Illinois. Telephone: Rogers Park 1-9450.

### "Dukane Projectors"

Limited supply of new and like new Dukane Projectors. Projectors are left over from a Stauffer franchise. Original cost \$120.00. While they last \$60.00. Creative Sales, 550 Ruby Street, Joliet, Illinois.

### AVAILABLE—

**Bond Manager or Underwriter**  
Over 20 years experience in Home Office, Western Dept. and Service Offices of prominent companies underwriting Fidelity, Public Official and Surety. Presently employed. Willing to relocate.  
Write A-96, National Underwriter,  
175 W. Jackson Blvd., Chicago 4, Ill.

### CASUALTY ADMINISTRATOR

Opening for man with administrative background, both underwriting and production in full casualty lines. This will lead to a key position in major stock multiple line company. Minimum 10 years experience. Write A-98, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

### AGENCY MANAGER WANTED

Fast-growing South Florida Agency needs experienced manager, qualified in all lines. Salary open. Reply to B-1, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill., giving complete business and personal background. All replies confidential.

### GENERAL AGENTS WANTED

Standard or sub-standard automobile physical damage business, including finance, for states of Texas, Tennessee, Oklahoma. Top flat commission. Write today giving volume available to B-2, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

### STATISTICAL—COST ACCOUNTING—METHODS

Unusual opportunity available for qualified man. Special Reports, rate comparisons and insurance expense exhibit type cost reports. Growing multiple line insurance company with sound financial backing in North Carolina. Write B-4, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

### CLAIMS MANAGER

We are seeking a well qualified man with experience in all phases of claims work.

This opening is in the Chicago home office of a progressive multiple line company experiencing rapid growth.

This is an unusually fine career opportunity for the right man. Salary, of course, is commensurate with experience and ability. Only those with manager or assistant manager experience will be considered.

Submit resume and salary requirement. All replies will be held confidential. Reply to B-8, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

All-Risks Corporation, experienced managing general agents for Michigan, can provide Branch Office facilities to established local agencies ready to produce profitable volume for an additional specialty carrier, admitted with filed rates or non-admitted, using over manual premiums. Reply to 315 E. Jefferson, Detroit 26, Michigan.

### BRANCH OFFICE ASSISTANT MANAGER

Excellent opportunity for aggressive young man experienced casualty, surety or fire to assume position of assistant branch manager located Memphis, Tennessee. Large country wide operation writing all lines of insurance except life. Our organization is aware of this opportunity. Address replies giving age, experience and other essential information to A-92, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

### FIRE AND CASUALTY ADMINISTRATOR

President, general manager of auto specialty company thirteen years, now sold. CPCU, age 43. Heaviest experience in sales, underwriting, but good background in all phases. Write A-44, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

### NEW MEXICO FIELDMAN

New Mexico General Agency has opening for fieldman experienced in Fire and Casualty. Car furnished. Salary and advancement commensurate with ability and results accomplished. Contact Pacific Service Company, P. O. Box 1718, Albuquerque, New Mexico.

### Underwriting Manager — So. East

Substantial life company seeks fire and casualty underwriter. Multiple lines or personal lines. 5-15 years experience in independent or direct writing company. Pleasant mid-south city under 150,000 population. Write A-87, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

### FIRE UNDERWRITER

Sizeable midwest multiple line mutual agency company needs young man in H. O. Fire and Homeowners experience necessary casualty experience helpful. Unusual opportunity. Write giving experience and personal data to A-93, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

### ENGINEER-AUDITOR

Progressive multiple line stock company needs experienced combination safety engineer-auditor for Indiana. Headquarters Indianapolis. Excellent employee benefits. Submit confidential resume to E. B. Yates, Regional Manager, Trinity Universal Insurance Company, 700 East Broad, Columbus, Ohio.

## Fox New President Of Oregon Agents

(CONTINUED FROM PAGE 1)

district—Gordon H. Randall, Bend, and H. F. McKee, The Dalles; third district—A. Thomas Bowen, James M. Campbell, Walter T. Davol, and William H. Lilly, Portland, and David W. Hansen, Gresham; fourth district—Fred R. Brennan, Medford; William L. Huggins, Coos Bay; Ray C. Ramey, Oakridge, and James W. Neilson, Florence.

Commissioner V. Dean Musser, in his address on "The State of Your Business," said in part, "I emphatically voice my opposition to a proposal which would eliminate the present practice in Oregon and any other state requiring all fire and casualty companies to submit all rate filings to the state insurance department for approval before the rates can be used."

### Might Be Disapproved

"The proposal, referred to as 'file and use' or 'no prior approval' would confer on an insurance company the right to file a rate and use it immediately even though it might later be disapproved."

Mr. Musser feels a chaotic condition could be created by the change and that destructive competition might result. The agency system is now feeling a "terrific increase in competition from direct writers and fire and casualty insurance," he said.

The commissioner went on to say that agents must budget their time,

and this is a must for survival. He noted that the two present problems facing agents are compulsory and competition. He warned the agents not to make hasty decisions and that the industry always has and will continue to solve its problems. "Listen to all suggestions pro and con," he said. "Good results have been accomplished with our fire and rating laws."

### Other Rate Changes

Mr. Musser also touched on results of the commissioners' Philadelphia meeting and advised the agents to hold with the majority suggestions of their national association. "There will be other, perhaps frequent, rate changes and much study needed. Agents must do all possible to avoid a rate war we do not want." He continued that politics in many states have caused trouble for the industry and advised that if the laws put out in Washington, D. C., are fair for the industry to hold to them and if not to fight them.

Robert M. Perce, vice-president in charge of production, Atlantic Mutual, said companies and agents cannot afford arguments and recriminations if the agency system is to meet and overpower direct writer competition. Through a company-agency team effort, with consultation and respect for each other's problems and ideas, such competition can be met firmly and rapidly," he said. "Independent

moves' companies or agents have not been, and cannot be successful."

All first-rate companies must offer the agent such basic tools as financial strength, integrity, good reputation and a fair claim policy, he declared. But, he emphasized, agents should look for companies that have these additional qualities: Professional approach, practical imagination, flexibility, competitive, fair (they should have an economically sound commission scale that is fair to both parties, and a reasonable underwriting approach that does not make the company either a dumping ground or too hard to place policies with), helpful (offer a full line of sales aids and a complete training program), promotion minded—agents and industry to develop sound promotional policies and support the field forces with a comprehensive advertising program.

### Stay With Professionals

Mr. Perce maintained that the companies, in turn, should only do business with professional agents. The part-timer, the amateur and the influence peddler do not do a good job for the insuring public and every poor job hurts everyone. Agents must also contribute to a team effort. He suggested a number of ways in which they could do so:

—Work to improve the business climate. This can be done in their state, community and association, and should lead to the establishment of rules and laws which are favorable to free competition;

—Work to raise efficiency. They must see to it that their offices are both efficient and economically run;

—See to it that their office employees and associates are all doing their job and that they have the skills for a real team effort;

—Check up on themselves and make sure that they spend part of their time keeping up.

Citing his companies' seminars as an example of what can be done when the agent and company sit down and work out their problems together, Mr. Perce said that dozens of productive ideas and opinions have come from the regional seminars and have been put to use.

Leonard A. Adams, state national director, gave a brief outline of the April meeting of the national association and the numerous changes which

## Kansas Claims Assn. Schedules Autumn Meeting For Sept. 29

Kansas Claims Assn. will hold its fall meeting on Sept. 29 at the Baker Hotel in Hutchinson, Kan.

Daniel Welty, Kansas department, leads off the morning session with "The Human Element," followed by Douglas G. Hudson, Hudson & Hudson, "Workmen's Compensation."

Four speakers are scheduled for the afternoon: Dwight S. Alverson American, "New Farmowners Policy"; Dr. Charles Wheeler, pathologist, "Scientific Crime Detection"; John W. Hall, Georgia State College of Business Administration, "Program for Education of Adjuster," and Jackson Bogert, Texas, "Dr. I. Q. Questions on Policies." (This last talk will feature cash for correct answers.)

A luncheon, social hour, banquet, and entertainment are included with the registration.

have happened in the industry during the past year, especially rate changes in various states. He advised the agents not to give up hope in their work to make changes in the state workmen's compensation laws, although they failed in the 1961 legislature. He lauded the outstanding work of the outgoing officers.

Following various annual reports, W. F. Williams of National Board of Fire Underwriters, San Francisco, and H. H. Nelson, National Assn. of Insurance Agents, Council Bluffs, Ia., gave pertinent facts on the condition of the insurance industry in various states and answered several questions from the floor.

There were also two workshop sessions, one on office procedure and the other on production. William F. Rau of Eugene was workshop chairman.

Discussing hiring, training and retention of office personnel were Howard W. Berge, Tromp & McKinley, Eugene; Eldon Noble, Noble, McLean, personnel consultants, Seattle, and E. W. Ramsden, resident vice-president American group, Portland. At the procedures session offering ideas on physical layout, systems and physical control, panel members included A. E. Grantham, Charles W. Sexton Co., Portland; Floyd H. Hart, Security,

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The close, personalized contacts maintained by the Boston Group's 69 Local Offices brings new achievement opportunities to more than 7,000 Independent Agents in the United States and Canada. These Agents are assured full and complete recognition of their efforts, wherever they do business.



Medford, and D. M. Matson, Huggins agency, Coos Bay, Oregon.

The panel discussing production included such topics as agency perpetuation and expansion, new business and renewals. Panelists were John D. Davis, Davis-Bell, Stayton; William H. Lilly, Dooley & Co., Portland; John J. O'Connor, Leonard Adams agency, Beaverton, and G. H. Randall, Bend.

The resolutions committee came through with 11 resolutions. The one relating to compulsory motor vehicle liability insurance said in part that since this type of insurance is "detrimental to the insuring public, resulting in increased costs and reduced protection, and whereas the insurance industry has for many years operated fairly and equitably in providing for protection at reasonable rates with minimal government regulation, and whereas Oregon AFL-CIO at its 1961 convention has urged passage of laws creating compulsory liability insurance and a petition calling for a statewide vote on this question is currently in process," the Oregon association renews its opposition to any efforts towards compulsory insurance.

It is further resolved that the association and its individual members pledge to support physically and financially the defeat of the measure, "which is costly to administer, makes insurance rates a subject for political process and destroys the system of free enterprise in Oregon."

Another resolution called for the association's approval of changing the present insurance code to permit the combining of classes of insurance in one policy with a single indivisible premium.

As to prior approval, the association recorded its "unalterable opposition to the continuation of prior approval of insurance rates and coverages" and offered its support to the elimination of "such inequitable regulations."

Still another resolution, relating to the assigned risk plan and voluntary acceptance of youthful risks, called for the governing committee of the Oregon Assigned Risk Plan to adopt the Wisconsin youth supplement under which insurance companies receive credit against their assigned risk quotas for voluntary acceptance of risks.

The annual group luncheon, which was sponsored by Oregon Automobile and Oregon Mutual, had as the principal speaker Arthur S. Flemming, president University of Oregon.

## Texas Dwelling Fire, EC Rules And Rates Revised

AUSTIN—Substantial changes in fire and extended coverage rates and rules, to be effective Oct. 2, were announced last week by the Texas department along with a farm and ranch package policy based on homeowner coverages.

Fire and EC rate changes include a special dwelling schedule, which provides new flat premium rate tables for dwellings based on key rate charges and subject to fire record credits or penalties. This eliminates the old rate analysis system for computing a specific premium.

In addition a third EC and wind-storm area has been created out of the old inland territory of 228 counties and will be known as the north-northwest territory. It includes the panhandle, south plains and most of the Red River Valley counties, with the prescribed EC rates being slightly higher than those for the remaining central inland territory, which includes Dallas, Fort Worth, Austin, San Antonio and on out to El Paso. The 26 counties in the seacoast territory are unchanged. A highlight of the rating is the removal of the shingle roof charge.

The new farm and ranch manual provides both a limited and broad form and includes basic conditions that are practically the same as those in the familiar homeowners.

Major changes in the homeowners policy include mandatory elimination of the sonic boom damage exclusion; addition of premium groups to take care of the new EC territory; addition of stucco class for premium rate charts, and provision for scheduled personal property coverage.

In addition the mercantile schedule has been further refined and new rules have been issued on single occupancy and multiple occupancy risks that are not sprinklered.

Richard A. Pfordresher, vice-president Homer Gwinn & Co. agency, Chicago, has been named as a director of a new bank being organized in that city—Archer National Bank.

Kansas Assn. of Mutual Insurance Companies will hold its annual convention Nov. 2-3 at Manhattan.

## N. M. Agents Elect Beckett President; Snyder Is V-P

SANTA FE—Robert Beckett, mayor of Deming, was elected president of



Robert Beckett

New Mexico Insurers at the annual convention here this month. He succeeds Herbert C. Dickinson of Farmington. Mr. Dickinson told the more than 300 members that it is the principal purpose of the organization "to keep alive the voice of the independent agent and further the agents' professional standards through an ever-continuing educational program."

The new vice-president is Arthur J. Snyder, Tucumcari.

Mayor Leo Murphy of Santa Fe gave the welcoming address, and I. B. Pickett of the state corporation commission and Superintendent Ralph Apodaca spoke briefly. The final speaker at the first general session was Joe E. Vincent of Bryan, Tex., chairman of the NAIA advertising committee.

A panel on the special auto policy and miscellaneous auto filings was led by Dr. Curtis Elliott of the University of Nebraska. Premium financing was

discussed by Edward L. Denton Jr., executive vice-president Afco. Final speaker the first afternoon was Fred C. Crowell Jr., editor and publisher of the Insurance Field.

On the second day, the luncheon speaker was C. F. Littlepage, senior vice-president North America. George Hanson, general counsel of NAIA, addressed the general session on the NAIA position on rate regulatory legislation.

The field man of the year award went to Frank Mercer of U.S.F.&G. The local board award was won by the Lea County organization.

Mr. Hanson installed the new officers, who included, besides Mr. Beckett and Mr. Snyder, Peter F. McCanna, Albuquerque, secretary-treasurer, and Paul P. Rubincam, Albuquerque, state national director.

## FR For Hunters In Cal.

A new law has gone into effect in California under which hunters whose hunting licenses have been revoked for causing death or injury to humans or domestic animals through simple negligence may not regain their licenses unless they can prove they can respond in damages up to \$25,000. The new financial responsibility law for hunters calls for providing the fish and game department with a \$25,000 cash deposit, a public liability insurance policy aggregating \$25,000, a corporate surety bond, or individual sureties secured by real estate and approved by an appropriate court.

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EQUITABLE FIRE INSURANCE COMPANY • CHARLESTON, SOUTH CAROLINA

## Editorial Comment

### Opportunity For Exchange Students

Governments over the years have set up exchange programs for students, artists and others to promote better understanding among countries. This exchange idea might be of value in the insurance business where some company executives and some agents have exhibited scant knowledge of each others' activity, responsibility and problems.

It is quite possible that some company spokesmen have never set foot in an agency and it is almost certain that they have never spent any time in one on a typical busy day. These executives have risen to the top through legal, claims or financial channels which never ran into agencies.

Even those executives who rose from the field—and this embraces about 85% of them—have not passed the portals of an agency in a good while—varying perhaps from 10 to 25 years. They are familiar with agencies as they were in halcyon days of the leisurely field call, the extended lunch and the "family" chat. Some of these erstwhile field men—now presidents and vice-presidents—are fond of referring to the great load of paper work that has been lifted from agents by company automation. An agency call might open their eyes.

For example, Robert Smith, Hollywood, Fla., agent, who publishes the rapid rater for that state and others, recently noted that safe driver plans forced him to reprint 60 pages as of July 1 and another revision of 66 pages as of Aug. 1. This represents only one of the bewildering complex of changes with increased rather than diminished paper work in agencies. Company executives can theorize about the disappearance of paper detail through automation—and that probably will happen eventually—but as of now it simply is not a fact.

Agents, most of whom never spent a day on a company payroll, are also

fond of theorizing on how executives can and should run giant insurer enterprises. These agents probably know next to nothing of the vexations of management, large scale personnel problems, decision making, involving thousands of persons (including these same agents), and a long string of harassments ranging from investment, taxation, and underwriting considerations to clashes with labor representatives, maintenance of stockholder relationships and a host of other knotty details.

Much is being said and even done these days about company-agent conferences for exchange of views. Much can be accomplished at these round tables. But the participants still won't get a first hand view of what goes on in agencies and companies.

Perhaps an exchange of visits by company men to agencies and agents to companies would be far more revealing to all parties. One result is quite predictable: "Leading spokesmen" on both sides would be less inclined to prescribe sonorously for the ills of the other side and would almost certainly cease making pronouncements which reveal almost complete ignorance of the side they don't happen to be on.—J.N.C.

## Personals

**A. A. Morey**, senior vice-president in charge of the Chicago office of Marsh & McLennan, has been accepted for membership in Japan Society of Mechanical Engineers. This is an unusual honor. Mr. Morey made his first inquiry about membership in the society about two years ago.

**Henry S. Beers**, president Aetna Life group, has received the Eigenbrodt trophy, the highest award that can be given to an alumnus of Trinity College, Hartford. Mr. Beers, a 1918

graduate, was presented with the award by a classmate, Melvin W. Title, who is now an Aetna Casualty agent in Hartford and chairman of the college's board of fellows. An outstanding student, Mr. Beers completed the four year college course in three years and was graduated as a Phi Beta Kappa and salutatorian. His family has close ties with Trinity. His father, George Beers, was graduated in 1886, and his grandfather, John S. Beers, received an honorary degree the same year. Henry Beers' son, John W. Beers, is a 1952 graduate. The Aetna Life executive is a Trinity trustee.

**Mrs. W. S. Whitford**, wife of the retired president of Millers National, suffered a stroke at the Whitford home in Carthage, Mo. The Whitford's daughter, Mrs. Paul Heinz, whose husband is with the Hussey agency of Topeka, is on hand.

**Carl L. Strong**, director of insurance programs at Michigan State University, is convalescing at his summer home in northern Michigan from a mild heart attack suffered early in August.

## Deaths

**FORREST M. GROVE**, 65, assistant secretary and town dwelling department manager Farmers Mutual Hail of Des Moines, died there of a stroke. He had been active for many years in Iowa 1752 Club.

**JOHN R. KEARNS**, 77, who retired in 1959 after 53 years with Illinois Inspection Bureau, died in Chicago. Mr. Kearns joined the bureau in 1908 after having been with Liverpool & London & Globe, Illinois State Board of Fire Underwriters, and Indiana Inspection Bureau. In 1909 he was named branch manager at Joliet and in 1930 Rockford manager. He joined the Chicago office as superintendent of rating in 1933, a position he held until his retirement.

**JOSEPH S. ESPY**, 52, Savannah, Ga., agent, died at his home there after a brief illness. He served several terms as president of Savannah Assn. of Insurance Agents. Mr. Espy was the chief recruiter of football talent for the University of Georgia and assisted many young men in obtaining athletic grants from the university.

**ALBERT J. BREWERTON**, 74, Greenwood, Miss., agent, died in the hospital there after an illness of five months. He was a past governor of the Louisiana-Mississippi-West Tennessee district of Kiwanis and had been secretary-treasurer for the past 14 years.

**T. R. SMITH**, 60, president of T. R. Smith agency of West Lafayette, Ind., and in the business for more than 40 years, died of a heart attack.

**RAYMOND C. BARR**, 73, a pioneer in industrial safety and an employee of Kemper group for more than 20 years, died at Sunnysvale, Cal., after a long illness. Mr. Barr, who was a founder and life member of American Society of Safety Engineers, joined Kemper in 1930 and retired in 1952 as district safety director at San Francisco. He served for a number of years on the examining committee for safety inspectors for California and assisted in writing many safety codes, particularly in the lumber and logging industries.

**Mrs. MABLE CLOW SANFORD**, chairman of Smyth, Sanford & Gerard, New York brokers, died in Mountside Hospital, Montclair, N. J., after a brief illness. Mrs. Sanford was the widow of G. Foster Sanford Sr., former president of the firm and at one time head football coach of Rutgers University.

**FRANK J. ROGERS**, 50, New York City agent, died in the hospital at New Rochelle, N. Y.

**PAUL JACOBS** of Paul Jacobs & Son agency, Detroit, died. The agency will continue under the direction of his son, Marvin.

**HENRY N. HELLRIEGAL**, 69, chairman and founder of Doran Phillips, New York brokers, died at his home in Brooklyn after a long illness.

**BERNARD BLUMENCRAZ**, 53, general broker of Flushing, N. Y., died. He was also a partner in the firm of Blumencranz, Klepper & Wilkins, general agent in Queens county, N. Y., for Guardian Life. He started in the business in 1929 with Franklin Surety and entered the brokerage business in the early 1930s.

**JOHN C. STODDART**, 72, retired vice-president of New York Underwriters, died at his home in South Orange, N. J. Mr. Stoddart joined the company in 1912 and had been vice-president for 20 years when he retired in 1941. New York Underwriters was founded by his father, John H. Stoddart, and the latter's brother, Alexander Stoddart.

**WALTER G. HARTLEY Sr.**, whose death in a Dallas hospital was reported last week, had been an insurance man since 1919 when he started in the business at New Orleans. He formed his own agency at Dallas in 1952 and his son, Walter Jr., who joined him in 1954, will continue the agency in its present form.

**ABRAM S. GALLAND**, 78, Wilkes-Barre agent, died at his home there. He had been in the business 55 years and was a past president of Pennsylvania Assn. of Insurance Agents.

**HERBERT W. SADLER Sr.**, 73, of H. William Sadler & Co., correspondents of Lloyd's of London, Chicago, died in Garfield Park Community Hospital. He was a bank examiner with Federal Reserve Bank of Chicago (CONTINUED ON PAGE 41)

## THE NATIONAL UNDERWRITER

The National Weekly Newspaper  
of Fire and Casualty Insurance



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## Comments On The Insurance Field From The Investment Dealer's Chair

By LEVERING CARTWRIGHT

Cartwright, Valleau & Co., Board of Trade Building, Chicago

Escorting a motor sailer to Florida whilst Carla was deciding which way to go, the insurance consequences of the hurricane were far less immediate than the personal situation. We were running scared, but came out unscarred.

Carla was dispiriting to the fire-casualty list, which had started to respond to word of encouraging July-August underwriting results. It is not so much the dollar loss but the fact that it seems to frustrate the possibility of a better trend that jarred the market. On a per share basis the Carla loss is not shocking. For instance, if Continental Insurance suffers a \$6 million loss, that is but 50 cents a share and its surplus increased \$30 million in August. Yet the stock declined about \$6 a share or in total share valuation about \$72 million. This drop, incidentally, was accentuated by the coincidence of a liquidation order that was unrelated to the storm.

In general there was little panic selling. It was mainly a matter of the professional lowering the bids until the limits of the situation could be assessed.

Some of the stocks were completely unaffected, notably Insurance Company of North America, and St. Paul.

General Reinsurance which had been going up in uninterrupted strides for several weeks, dropped back 8 points to 165 bid. Losses in the fire stocks from Sept. 8 before Carla struck until Sept. 15 included 15 points for Aetna Fire, 2 each for Boston and American, 3 Employers group, 3½ Federal, 1¼ Fireman's Fund, 2 Great American, 1½ Hanover despite an increase in the quarterly dividend from 50 cents to 55 cents, 7 Hartford, 5½ Home, 4½ New Hampshire, 3 Northern, 9 Phoenix, 4 Reliance, 2 Springfield, 4 U.S.F.&G.

The life insurance market here and there became a two-way street for a change. U. S. Life, which had been making a sensational straight line advance, tumbled quickly from 87 to 71 and then recovered 3 points. Important buying interest seems to develop on selloffs. Aetna Life, Connecticut General and Travelers, which had been drifting lower, improved. Jefferson Standard at 78 was in new high ground. Life & Casualty was higher at 29. Lamar Life was in demand at 73. American General topped 9 points to 64 bid. On the announcement of the proposed 7½% stock dividend, Bankers National Life perked up 4 points to 58 bid.

Blyth & Co. had an offering of 23,700 of Home Insurance at 61½.

Great American Life Underwriters commenced trading on the basis of the 11 for one split and dropped during the week the equivalent of 240 points on the unsubdivided stock. Before the split it was selling at 2,000 and after the split dropped to 160.

— ||| —

Life Insurance Investors, in its semi-annual report as of July 31, shows it has added these names since January 31: American States, Beneficial Standard Life, Central Standard Life, General America Corp., Gulf Life, Interstate Life & Accident, Lamar Life, Life Insurance of Georgia, Northwestern National Life, Ohio Casualty, Ohio State Life, Sears, Roebuck & Co. The holding of 1,210 shares of United Benefit Life was eliminated at a profit of 47.8% over carrying cost. Subsequently an investment of \$200,000 was made in Lincoln Income Life. Net assets increased from \$13,764,924 at January 31 to \$21,364,986 at July 31. In a press release Life Insurance Investor cites the fact that at September 7 its assets were \$24,815,997, equal to \$15.26 per share against \$9.69 at January 31.

A. C. Allyn & Co., Chicago, has released a bulletin on Gulf Life.

American Life Companies (owning American Life & Casualty of Fargo and Old National of Houston) spurted from 9 to 12½ bid and then settled back to 11. J. H. Goddard & Co., Boston, which has an extensive following, sent out a recommendation on this.

Continental American Fund Inc. reduced its holdings of Aetna Life from 4,000 to 2,000 shares and eliminated its investment in 2,000 shares of U.S.F.&G. Second Centennial Fund Inc. upon completion of exchanges, reports owning 1,089 shares of Government Employees Insurance, 115 Great American Life Underwriters and 729 Standard Life of Indiana.

— ||| —

Dominick & Dominick put out a study of six months' fire-casualty results and commented: "While results for the first three months were adversely affected by unusually severe weather conditions, profit margins in the second quarter were reduced by somewhat higher claim costs and lower over-all premium rates.

Interstate Fire & Casualty, Chicago, has filed a registration statement covering 100,000 shares. White, Weld is the underwriter.

California-Western States Life attained the 100 mark, up about 4 points for the week.

Standard & Poor, in a "Review of Favored Stocks," says of American National: "Long term growth prospects fully justify a constructive attitude toward these shares, which may well increase in popularity as the investing public becomes more familiar with the situation."

### Fund Appoints Noyes

Fireman's Fund has appointed Harry F. Noyes superintendent of safety engineering in the eastern department to succeed Harold A. Goodyear, who will retire Jan. 1 but is remaining with the company as a consultant until then.

Mr. Noyes has had 22 years in insurance safety-engineering management. Most recently he was in the engineering research division of Assn. of Casualty & Surety Companies.

### Bergen To Amer. Casualty

Ronald E. Bergen has joined American Casualty as production manager at Charleston, W. Va. Mr. Bergen has been special agent of Hartford Accident in southern West Virginia.

Stephen P. Macres has joined the adjusting staff of General Adjustment Bureau at San Jose, Cal. He has been an adjuster and home office claims examiner with two companies.

## CPCU Annual Puts Emphasis On Sales

Problems of selling will occupy a prominent place during the Society of CPCU annual seminars Sept. 27-29 at Washington.

The first day will be devoted largely to panel sessions on merchandising personal lines, packaging, and sales planning.

The first of these will be presented by a team representing company, agency, and buyer, moderated by Frank G. Harrington, North America. Personal lines plans and problems will be discussed by A. Hawthorne Cridle, Philadelphia agent; John R. Coakley, Travelers; and Frank B. Orr, Oakland agent. A slide-film will supplement the discussion.

The session on packaging will be moderated by John Adam Jr., Worcester Mutual Fire, and the initial paper will be presented by James P. Stodolka, Agricultural. Other panelists will be John D. Phelan, American States, and Harold H. Hines Jr., Chicago agent.

Sales planning for companies and for producers will be analyzed in the third Wednesday period by a panel moderated by Garrett W. Roerink, American. Participants are J. T. LeCompte, Stewart, Dougall & Associates; and T. Benson Leavitt, Aetna Life group.

The seminars will follow several days of meetings of the executive committee, board of directors, various committees and boards, chapter officers, and membership.

Edward E. Evans, president of Evans-Comtois & Co., Cleveland, is director of seminars. General chairman is

## Kemper Forms New Life Subsidiary: Federal Kemper Life

Kemper group has formed a new life insurance subsidiary with paid-in capital and surplus of \$1 million.

The new company, Federal Kemper Life Assurance, was incorporated under Massachusetts laws and will have its principal office in Boston. It will write a complete portfolio of life contracts with operations currently being limited to Massachusetts. It is planned, however, to subsequently broaden its scope to all New England states.

This is the second life member of the Kemper group, the other being Fidelity Life Assn. of Fulton, Ill.

James S. Kemper is chairman and Hathaway G. Kemper is president. Other Massachusetts members of the executive staff are John F. Leary, vice-president; A. S. Landoli, assistant treasurer, and Walter T. Tower, assistant secretary.

### Weiss To S. D. Field

Iowa National Mutual has appointed Louis B. Weiss field representative in South Dakota and northwestern Iowa with headquarters at Sioux Falls. Mr. Weiss has been with Iowa National for eight years, traveling in Minnesota as payroll auditor and for the past two years in southeastern Iowa as a field representative.

Henry A. Kroll, Washington agent. The District of Columbia chapter of CPCU will act as hosts. Chapter president is Robert V. Oxenham, Washington agent.

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## Echoes From Past Are Pertinent

A Michigan subscriber in a company branch writes:

In rummaging through some old files recently, our office ran upon a leather-bound book, published in 1908 by The Western Underwriter (predecessor of THE NATIONAL UNDERWRITER, entitled "Pointers for Local Agents." It proved to be amusing in some respects but there are some truths also which seem to appear to have been mysteriously forgotten in

some quarters over the years.

Under the heading "The Agent and His Duties" are these observations:

"While an agent owes his first allegiance to his company, he must also recognize his obligations to his customer, without whose patronage he would be of no service to his company. At times the interests of the company and of the customer seem to conflict. It is then that the agent is called upon to exercise a discriminating sense of

justice which will enable him to give to each his dues. Under the circumstances, the agent should constantly guard against allowing himself to serve his customer to his company's detriment. The agent owes it to his company to serve it faithfully as long as he remains its agent. If an occasion should arise which makes it impossible to do this, the honest course is to resign the agency.

"The agent's position is a most responsible one. The company has given him authority to issue policies under which it may be required to pay thousands of dollars. It expects him to

exercise his best judgment in its behalf and, to a large extent, it risks its money upon his intelligence and integrity. It is the agent's duty to follow the company's instructions, whether printed, written or delivered orally by its field representative . . . to give full and truthful information on all points on which he asks instructions; to give the company the advantage of his personal knowledge of people and risks in which it may be interested—in short, to conduct the company's business as carefully and conscientiously as if he were the company and had to pay the losses."

There is some reason to wonder if there has been lost, in some places, some of the implications in the true meaning of the term "agent," as brought out above.

There is another paragraph which covers "Relations to the Company" and reads in part:

"The people at the home office or general agencies have agents of all classes. For one kind they will do all they can within reason, for they appreciate the agent's high class service. They would get rid of the others but for the loss of business. For that reason, they have to put up with them, but they watch them with the eye of a hawk because they have to do so in order to protect the interests of the company. They scrutinize their business closely; their suspicions are aroused by everything out of the ordinary; they scarcely give the agent an inch of rope because they are satisfied he will take an ell if he gets a chance."

### Caution Advised

The agent is then admonished:

"When you have a large line to place on a questionable risk, do not write each of your several companies that all other companies in your agency are on the same risk, simply because you have issued the policies simultaneously. It is a practice of some agents to write up, say, six policies in as many companies and write to each company naming the other five as being interested, whereas each company may decline the risk as soon as it is reported. It is a bad practice to endeavor to influence companies in this way, and will only place you in disrepute with them, as the fact will sooner or later be discovered."

There's another brief section entitled "Good Company to Let Alone" which reads as follows (and I wonder if there could be any meat in this in today's market?):

"The company that accepts doubtful risks without asking unpleasant questions, pays excess commissions on preferred business, and winks at variations from the tariff rating, is doubtless a handy thing to have about an agency; but those very practices are signs of managerial weakness that may later cause the agent a whole lot of explanations when the same company goes down before the hot-blast of the next big conflagration. Conservative underwriting is always a



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Niagara Fire Insurance Company • The Fidelity and Casualty Company of New York • National-Ben Franklin Insurance Company of Pittsburgh, Pa.  
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healthy symptom."

It's heartening to know that even with the passage of time, the principles expressed in the following primer on "How to Get Business" still apply, despite the pressure of competition which has pervaded the industry:

#### Strict Rules

"The elements which assure success in every occupation are the same. Persevering effort, mastery of detail and faith in the quality of the wares you offer, and their necessity to the people, will surely win the confidence of the public in the end. Perhaps if we should ask the older insurance agents for the secret of their success in obtaining business, nine out of 10 would attribute it mainly to their earnest belief in the merits of the companies they represent, and to the necessity for insurance; the rest simply to persistent effort in keeping these facts before the public."

I wonder how far a company would get today if it tried to invoke these old rules which seemed to prevail in connection with flat cancellations, providing underwriting information and the age-old problem of low insurance to value:

"It is no more than right that the assured should pay for his insurance for the time he was covered. It is a good general rule to charge for all policies which have run five days or over. Even though it may seem a small matter to you, with a company having hundreds of agents who allow policies to run 30 days or more without making a charge, it counts up. As a general rule, the companies allow 30 days grace after the policy is written in which to return the policies without charge. Good agents, however, seldom take advantage of this.

"An agent should always answer the questions on a daily report, even when the company is in the habit of accepting everything he writes. As a rule, it is the agent who does answer the questions that has his risks accepted."

#### Literal Interpretation

If we think the business is too detailed today, consider how the following would add even more problems:

"If one of your patrons moves to another town and wants his policy cancelled, don't allow him the pro-rata unearned premium. The company has entered into an agreement to furnish him indemnity for a definite term in a certain location; and, if he goes elsewhere, it does not follow that the company should terminate the insurance on a pro-rata basis. In some cases he may want his insurance transferred to the new location, and if you know just where the risk is situated and the company has an agency there, it will be proper for you to make the transfer and report it, whereupon the company will take the matter up with the agent having jurisdiction in the new location, and ascertain whether the risk is still desirable and the original rate sufficient to cover the present hazard. If, however, the assured wants a transfer to a place where the company is not represented, refuse it; then if cancellation is asked for, collect short rate in every case."

#### Automation Preview

For a touch of humor, in the light of today's conditions, the following quotation is in point:

"If one's business is not large enough to warrant the employment of a clerk who can operate a typewriter

at quite an early stage, the agent will find it advantageous to buy a typewriter (second-hand if he thinks best) and learn to use it himself. In a short time he can write much more rapidly than he can by hand, his letters will be legible and they will make a more favorable impression upon the recipient, because he can read them without trouble and they look business-like. Furthermore, with a typewriter, a carbon copy of letters can be made, with scarcely any extra work.

"Spittoons should be made of metal and never contain sawdust or other combustible material."

But the part which gives me, as a mere field man, the biggest chuckle appears under the heading "Correspondence with Companies." It is interesting to think what the job of a present-day field man would be if every agent took this to heart. It reads:

"If you have a grievance, take it up in a letter to the company, couched in respectful language and with the facts. The company is always ready and willing to right any wrong, and it is better to take the matter up at once than harbor a grudge or wait until the special agent comes around and then pour your woes into his ears. The special agent has troubles of his own, and it is not fair to draw him into your disputes unnecessarily."

#### III To Honor Field Men For PR Efforts

Insurance Information Institute will make awards to the outstanding field man of the year in each of the country's five regional areas in recognition of accomplishment in promoting public relations. The winners will receive framed parchment scrolls and their names will be inscribed on a permanent plaque at III headquarters in New York.

Company officials and III staff members will be judges. III has urged every field club to nominate a candidate by letter before the next annual regional field club meetings when the awards will be made.

#### Kennedy Joins Old Security Cas.

Myron R. Kennedy has joined Old Security Casualty of Kansas City as field representative and sales manager.

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## Fireman's Fund Transfers Sifford To San Francisco

Benton A. Sifford Jr., assistant manager of Fireman's Fund western department at Chicago, has been transferred to San Francisco where he is joining the home office auto-casualty staff, under the direction of Vice-president James R. MacKay.

Mr. Sifford joined the Fund at San Francisco in the underwriting division

25 years ago. In 1942 he entered the army from which he was discharged in 1946. Following this he resumed his duties as assistant chief casualty underwriter in San Francisco.

For the last 11 years he has been stationed in Chicago, where he served as manager of the auto-casualty lines and more recently as assistant group manager.

### Name Butler In Minn.

Hartford Accident has named John J. Butler casualty superintendent at

Minneapolis. He joined the company in New Orleans as an underwriter in 1952 and was appointed casualty superintendent at Denver in 1958.

### Hartford Names Colcord In Ariz.

Hartford Fire group has appointed William C. Colcord special agent for fire and marine lines with headquarters in Phoenix.

Central Mutual has moved its New York office from 90 John Street to 110 William Street.

## Mutual Of Omaha Has New Non-Cancel Income Protection

Mutual of Omaha has issued a new line of income protection coverage, featuring monthly income plans guaranteed renewable for life. Called the "good neighbor" coverage, the line provides lifetime income protection for the breadwinner with a written guarantee that the company cannot cancel the policy.

The coverage remains in effect no matter how many times benefits are received or how much is collected, no matter how poor health becomes or what age is reached. Many income protection plans expire after retirement, since they are designed mainly to protect the paycheck. The "good neighbor" protection continues during retirement as hospitalization benefits.

### Benefits Up To \$500 Monthly

The policy can buy up to \$500 a month in benefits and can be purchased with lifetime benefits. It has worldwide coverages and provides protection to the policyholder as a passenger on any aircraft, including private planes. Form 76D offers immediate coverage for accidents occurring after the policy date and only a minimum origin period for sickness—30 days for ordinary sickness, 90 days in case of heart trouble, female disorders or hernia. The policy contains few limitations. Coverage is available for any loss except those caused by war, military service, mental conditions and pregnancy or childbirth.

A rehabilitation provision in the new policy assures continuation of monthly benefits even during a planned vocational rehabilitation program. A catalogue of coverages is available either for accident and sickness together or for accident only. Males and females, classified as preferred, standard or hazardous, can qualify for protection.

### VIP Plan

A special vital income protection plan is available to executive, professional, key personnel, preferred and standard males. It is personally tailored with variable benefit periods ranging from one year to lifetime for either sickness or accident.

With the VIP plan, there are no waiting periods for accident or sickness originating after the policy date. Coverage is provided for mental illness for the same length of benefit periods as other sickness—even for life. Benefits are paid for sickness or accident regardless of whether there is confinement.

All the "good neighbor" coverages are carrying a feature which will allow a 10-day review of the policy. If insured is dissatisfied, it can be returned and the premium will be refunded.



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Victor T. Ehre, right, president of Buffalo, at a banquet at the Buffalo Athletic Club making the presentation of the president's cup to Leo J. Abbott, resident secretary of the company's western and central New York department. Under Mr. Abbott's supervision, the western department won this year's production contest for the trophy.

### Mich. Blues Ad Campaign Called 'Dismal Failure'

George N. Higgins, chairman of the Michigan civil service commission, branded as a "dismal failure" an effort of Michigan Blue Cross-Blue Shield to retain group coverage of classified state employees.

After the plans failed to outbid Aetna Life for a health care plan on which the state would pay half the premium, they staged an advertising and direct mail drive to retain a substantial part of the business. They had been providing coverage for about 17,000 of the 31,000 civil service workers under four separate groups. Members of the plans paid the full premium without state assistance.

Nearly 20,500 of the total classified personnel have now signed for the state-aided plan, and the final total is expected to exceed 23,000 at the Sept. 23 deadline, according to civil service officials. Only 21,000 have been covered under all previous programs. It was forecast that Blue Cross-Blue Shield would lose at least 80% of present state employee subscribers.

More than 27,000 workers signed up for group life under a similar subsidized plan sponsored by the civil service commission and placed with United Benefit Life. Previously, about 17,000 had group life policies within the classified personnel.

### St. Paul F.&M. Names Two In Ohio And Pa.

St. Paul F.&M. has appointed Charles J. Gysin special agent, with headquarters at Cincinnati, under the supervision of Arthur Herring, state agent, and has named Robert S. Buddy Jr. marine supervisor at Philadelphia, under the supervision of W. W. Martin, manager. Both men have had several years of agency experience.

### Form Third WIIS Toastmasters Club

Western Insurance Information Service is sponsoring a toastmasters club formed by Orange County (Cal.) Adjusters Assn. This is the third such specialized speakers training group to be formed by WIIS within the year. Others are at Los Angeles and Salt Lake City.

John F. Davis, Industrial Indemnity, has been named acting chairman of the club. George F. Thompson, Cal-Farm Fire, has been named vice-chairman, and Frank H. Ertel, Long Beach, recorder.

### New Chicago Handbook

A new Underwriters Handbook of Chicago and Cook County has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agent, groups and other organizations affiliated with insurance in this territory. Copies of the new Chicago and Cook County handbook may be obtained from the National Underwriter Co. at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12.50 each.

### Gall, Hodges Named By Michigan Mutual Liability

Richard A. Gall, assistant vice-president in the personnel department of Michigan Mutual Liability, has been promoted to vice-president and personnel director. He has been with the company since 1936 in the collection and personnel departments and also has been paymaster and office manager. He became assistant vice-president in 1952.

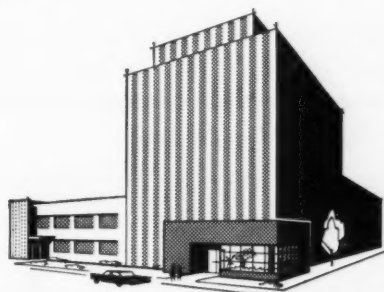
Dale J. Hodges, vice-president, who has been personnel director also, has been placed on special assignment to President H. John Lowry. Mr. Hodges will compile the company history. Michigan Mutual Liability marked its 50th anniversary on Sept. 12.

### N. J. Agents Committee Men

New Jersey Assn. of Insurance Agents at its annual meeting in Atlantic City named to the executive committee Robert D. McKee, Red Bank; Samuel W. Madara, Merchantville; Henry S. Gilbert, Westfield, and Adolph Quadt, Fords. Donald E. Van Heemst, Paterson, was elected co-chairman of the public relations committee.

United Pacific, via Cascade, has begun writing participating fire business in Idaho.

- New home office building in Indianapolis, headquarters for the Company's country-wide insurance operations.



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## Direct Billing Builds Business: Steinke

(CONTINUED FROM PAGE 4)

tages of company billing and accept it as part of the marketing upheaval that was necessary to permit them to compete on the price level, Mr. Steinke said.

He mentioned a number of advantages of the economy program of his own company group both for agents and buyers of insurance. Many of these were first regarded as somewhat radical concepts by Celina Mutual agents.

But, he said, far-sighted agents saw the value of the plan. They began buying it almost immediately.

Just how well the "Economy Plan" of National Mutual of the Celina Mutual group was accepted is demonstrated by the figures Mr. Steinke cited.

Of 584 agencies in Ohio, 564 use the National Mutual direct billing program. In all states, 1,071 of 1,131 agents use this plan. Average monthly production under this economy plan was \$30,000

in 1957 when it was inaugurated. This figure had gone to \$210,000 by 1960. Gross premium volume rose from \$777,635 in 1957 to \$1,730,546 in 1959 and \$3,214,516 in 1960—an increase of 319%.

These figures represent principally automobile lines.

This year National Mutual introduced a new multiple line economy package—"Econo-Pak"—by which under one billing form, agents can write automobile, homeowners, dwelling and contents fire, personal inland marine lines, comprehensive personal li-

ability and farmers comprehensive personal liability. Short terms of three, six, twelve months are available, with longer policy terms optional. Additionally, if no claims have been paid by any insurer during the 12 months prior to the time the package is written, the insured receives a special claim free bonus discount. This is a discount something similar to the safe driver program of National Bureau.

The special multi-unit billing form used with this "Econo-Pak" permits billing any or all of the separate lines included. A \$12.50 per billing minimum applies.

Already, 80% of all National Mutual business has been converted to machine billing. Ten percent is manually computed, but machine billed, and the balance of 10% is still a manual operation.

### Insured Accept It

Mr. Steinke emphasized that not only have agents taken to the company billing program of the Celina Mutual group but that their insured have accepted it. Only 10% of this year's policies were not taken. There is a lapse ratio of only 5 to 7%.

Mr. Steinke hailed this multi-line, company billing approach as the answer to tomorrow's marketing needs. "It will require selling and educating agents on the needs and the benefits. An occasional sale is of little value to an agent. He needs volume to profit from his efforts," Mr. Steinke declared. "The blood line of the agency system and the aggressive spirit of the direct strain will, I predict, develop a remarkable pedigree welcomed by the public and prove a credit to its parents—companies and producers—in the American agency system."

### Fitchburg, Mass., Agents In Unique PR Program

National Assn. of Insurance Agents in its monthly public relations bulletin has highlighted the Fitchburg (Mass.) Assn. of Insurance Agents for a notable program in the public interest.

The Fitchburg group has undertaken a permanent program of identifying the homes of invalids by specially designed rescue markers to alert fire fighters and emergency units. The local fire department is distributing the markers for the agents.

The association has urged all persons who are incapable of removing themselves from their homes during an emergency to participate in use of the potential life-saving identification.

In order to afford protection to all handicapped persons, the Fitchburg group sent letters to all doctors and clergymen, as well as to visiting nurses in order to secure the names and addresses of all invalids in the city.

The markers are made of rubber-saturated, weather resistant stock, imprinted with fluorescent and reflective paint for visibility under any and all circumstances. Civic officials have heartily endorsed the program.

### Amer. Casualty Names Coghlan

American Casualty has appointed G. Leo Coghlan assistant to the property manager at Philadelphia. He will devote his efforts to the production and underwriting of marine lines.

New York Board has appointed A. T. Chisholm, U. S. manager of Pearl-Monarch, a director, and has named A. F. Sinton, assistant vice-president of Crum & Forster, to the finance committee.



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Don't listen to this hombre, Whimbly. Today's comp and liability insurance buyers are too quick on the draw. What they need is Bituminous' application of modern rating plans, tailored to individual requirements. This individualized underwriting helps the insured control his own costs and keeps you in a solid competitive position. Bituminous' prompt claim service and safety-conscious engineering also tell the insured he's buying and renewing the best in compensation and liability insurance. And for you, a connection with Bituminous means prompt payroll audits as well as

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## Impressive Lineup Of Speakers For O. Agents

Members of Ohio Assn. of Insurance Agents have received a flyer listing the speakers for their annual meeting Oct. 22-24 at Columbus. Those on the program are Archie N. Slawsby, past president of the national association; H. H. Nelson, Council Bluffs, Ia., a member of the NAIA executive committee; Morton V. V. White, Allentown, Pa., chairman of the NAIA executive committee on federal affairs; Robert E. Battles, Los Angeles, another past president of NAIA; Arthur F. Blum, Rockaway Park, N. Y., chairman of the NAIA committee on agency accounting; Robert L. Cook, Martins Ferry, O., a member of the NAIA agency management committee; Adolph E. DiCresce, Akron agent, formerly with Nationwide Mutual; Charles T. Collins, Springfield, O., agent and a former staff member of the Ohio association; S. H. Lance, president Lance & Co., Medina, O., advertising agency, and G. D. Sewart, Cleveland manager Hartford Life.

## In New Home Office Post With Employers Mutuals

Russell R. Ross, underwriting processing department manager Employers Mutual of Wausau, has been appointed manager of automobile underwriting. He began in the Chicago branch in 1942 as an underwriter and, after a four-year military stint, successively became underwriting manager in Indianapolis and Dallas. He went to the home office in 1958 in the post he has just vacated.

John L. Parkinson, Dallas underwriting manager, succeeds Mr. Ross as manager of the processing unit; William E. Hageman, St. Louis underwriting manager, succeeds Mr. Parkinson, and James Jaeger, underwriting administrator at New York, succeeds Mr. Hageman.

## NAMIA, Baldwin Fund Make Trust Agreement

Trustees of National Assn. of Mutual Insurance Agents and of the Philip L. Baldwin Memorial Fund have entered into a formal trust agreement governing the fund's operations. The agreement provides for the support of the NAMIA agents' school and other educational programs. Contributions received by the fund have to date exceeded \$10,000.

## Michigan Mutual Promotes

Michigan Mutual Liability has promoted Walter Masinick, assistant manager, to assistant vice-president special risk department; Martyn J. Fogarty, regional underwriting manager south central region, to assistant manager special risk department; and H. Francis Lee, branch manager south central region, to regional underwriting manager.

## Burgess In Tex. Field

Harford Mutual of Bel Air, Md., has appointed B. B. Burgess state agent in Texas, with headquarters at Dallas. Mr. Burgess, in addition to company underwriting experience, has been in the local agency business.

Employers Mutuals has appointed John A. Hilgendorf legal manager of the Detroit branch. A compensation attorney, he joined Employers in 1953 as a claims adjuster, became a claim examiner in 1959 and a compensation hearing attorney a year later.

## Winslow New President Of Me. Agents Assn.

Independent Agents Assn. of Maine at its annual meeting at Rockland elected Robert S. Winslow, Portland, president to succeed Carlton Scott, Wilton. Vice-presidents are Howard W. Cole, South Paris; J. W. McClure, Bangor, and David R. Fossett, Gardiner. Ralph Young, Portland, was elected treasurer.

In his talk, Commissioner Mahoney announced that his department is sending a bulletin to all companies, calling attention to the new standard form fire policy adopted in Maine. It will become effective Jan. 1, 1962.

Frank Fowles Jr., vice-president Maine Bonding, upheld use of continuous policies. He pointed out that the competition is operating at a much lower expense factor than agency companies. Overhead expense of renewing policies must be eliminated, he said, and continuous policies billed by machine seem to be an answer.

## Chicago Claim Assn.

### Sees Film On Fractures

Opening the new season in a new place, Chicago Claim Assn. moved to the Prudential Building's Beaubien Room and drew a capacity crowd.

Theodore Randich, Travelers, program chairman, introduced Dr. Phillip Foley, district surgical consultant Travelers, who presented an American Medical Assn. film, "Fractures," and answered questions afterward.

Current officers of the association include C. M. Karol, Washington National, president; Bernard Klemm, Continental Casualty, vice-president; Robert J. Poblacki, Lumbermens Mutual Casualty, secretary; John T. Best, Guarantee Reserve Life, treasurer.

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Garage Liability

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Retrospective Contracts

(a) Physical Damage

(b) Auto Liability

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## Many Nations At Monte Carlo Conference

(CONTINUED FROM PAGE 2)

John A. Diemand Jr., Milos R. Knorr, E. Ernest Feer, Commander Alfredo Federici, C. W. V. Baker, R. H. Green, and Z. M. Zmigrodzki.

Also attending from the U. S. were Schuyler Merritt II and Elmer N. Dickenson Jr., both of Commerce & Industry; Jerome J. Greilsheimer, Greilsheimer & Son; H. Alexander Stebler, U. S. & Foreign Management; John J. Roberts, American Interna-

tional Underwriters; Hans R. Pollak, Jefferson; Arnold Herzfeld and Thomas B. Herzfeld, both of Bleichroeder, Bing & Co.

The conference originated five years ago as an offshoot of the meetings of International Marine Union. Brokers and fire and casualty company men, in increasing numbers, had been attending the latter meeting. Gradually their number overshadowed the marine attendance and made the marine

meeting unwieldy. The marine union then quite properly decided to limit its meeting to invited marine members.

The brokers and the fire and casualty men realized that an excellent opportunity for meeting together had grown up. Therefore, they decided to establish the separate convention annually at Monte Carlo. The usefulness of this meeting is now generally accepted.

"La Rendez-vous de Septembre," as it is called, now has assumed a form all its own. Its outstanding characteristic is the complete absence of formal organization and of formal meetings.

No resolutions are adopted. The purpose is to permit company men and brokers to meet to transact insurance or reinsurance. It is not a meeting where a great deal of new business will be found, but an ideal locale for everybody to settle outstanding problems.

Mr. Brown, vice-president of AFIA, has described the purpose of the meeting:

"Reinsurance requires a considerable degree of personal contact. For someone like myself, and this must apply to many colleagues in other countries, it is impossible to visit frequently the 308 companies in the 44 countries where we maintain treaty relations. Also bear in mind the expense that would be incurred, which today, with increasing loss ratios, is a factor that is very pertinent and of concern to many of us. Of first importance, therefore, are the personal meetings with our friends from all over the world to exchange views and settle any outstanding matters which can be done so much better by personal contact than by correspondence.

"We are all seeking new sources of income, and in this respect too, the new contacts made are of great importance. Again, it is not the new business negotiated on the spot but the contacts and introductions which later lead to new sources of income.

"In recent years companies in the U. S. are increasingly being approached for overseas reinsurance coverage, and much of the business offered emanates from the European markets. Such markets each have their own peculiarities, and since underwriting results are often a matter of speculation, first-hand knowledge is essential. For this reason alone, representatives of U. S. companies interested in overseas reinsurance will find the September meeting of great value."

Mr. Roux is the guiding hand behind the rendez-vous. Without appearing to do so, he communicates his enthusiasm to all attending. He is ably assisted by Jacques V. Papon, of his company.

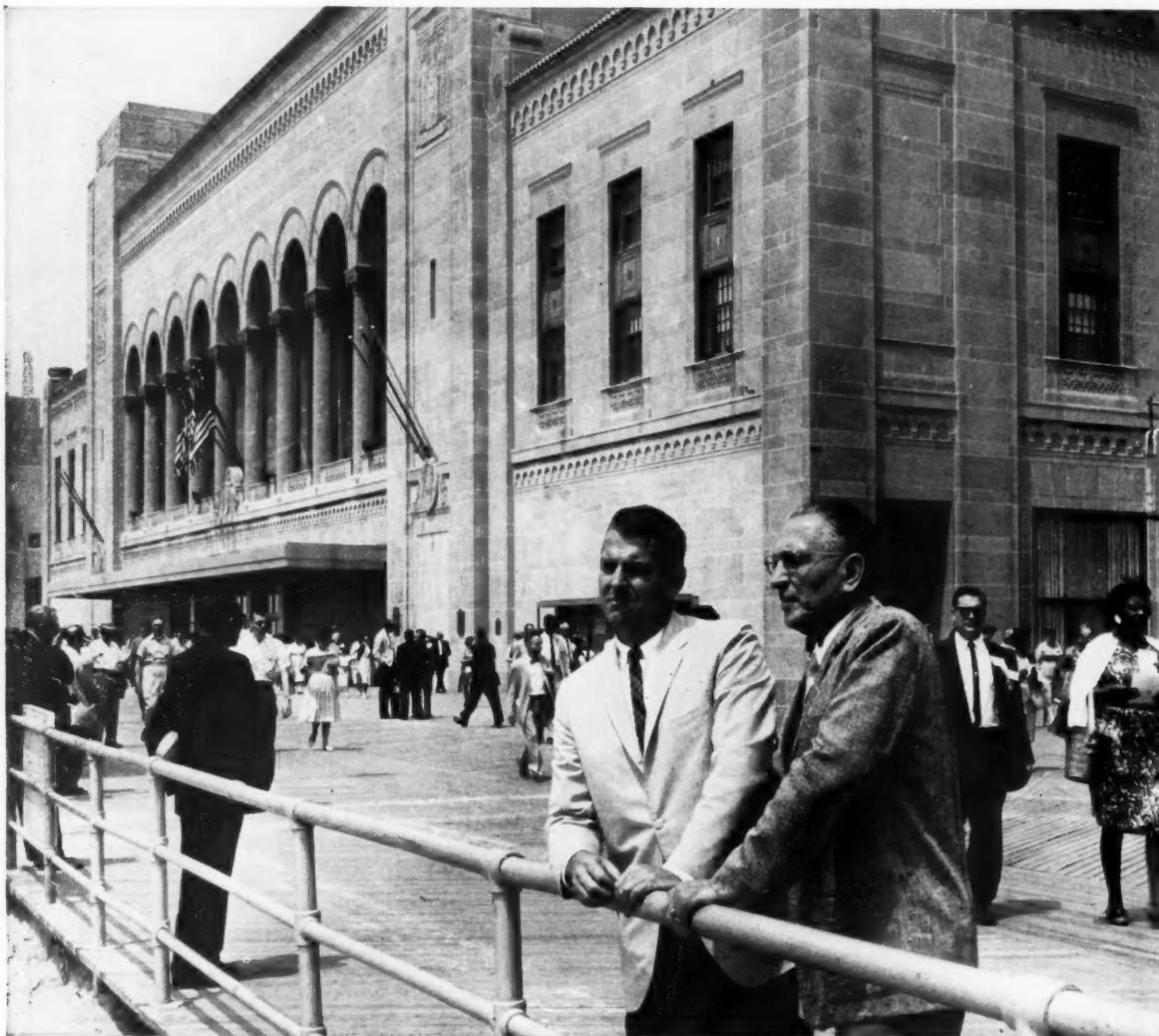
The rendez-vous is directed by a committee which includes Mr. Roux; James O. Nichols, president of AFIA; Gustav Schmidt-Berkheim, Weiner Allianz Versicherungs Gesellschaft of Vienna; Georges Martin, La Royal Belge of Brussels; L. Koefoed, Aktieselskabet of Copenhagen; C. C. Calburn, Mercantile & General Re of London; W. Labes, Kolnische Ruckversicherungs Gesellschaft, Cologne; F. C. D. M. Rauwenhoff, Universeele Reassurantien Maatschappij of Amsterdam.

Also Bruno de Mori, Unione Italiana di Riassicurazioni, Rome; Per M. Hansson, Storebrand, Oslo; Visconde de Botelho, Gremio Portugues, Lisbon; Louis Hermida, La Union Y El Fenix Espanol, Madrid; M. Calderen, Skandia; and Hanz Grieshaber, Union Societe de Reassurances of Zurich.

In a desire to establish a link with the Western Hemispheric Conference to be held Oct. 18, Mr. Roux, and others will attend that meeting in Lima, Peru.

At the rendez-vous, Mr. Martin gave an interesting talk on insurance and reinsurance in Belgium, and Jose M. Sunyer, La Nacional De Seguros, made an illuminating speech on practices in these fields in Spain.

The next rendez-vous will be held in Monte Carlo from Sept. 10-15, 1962. Individuals desiring to attend may make arrangement by writing to the Bureau of Tourism, Monte Carlo, Monaco. Hotel reservations should be made well in advance either through the bureau or directly with the hotel.



## On the Boardwalk in Atlantic City

The Boardwalk and bathing beauties are associations that come immediately to mind, for most people, at mention of Atlantic City. But to John R. Siracusa and John, Jr. (shown above on the Boardwalk), there's far more to this long-famed resort center. It's a dynamic, flourishing, forward-looking business community. It's one of the nation's foremost convention centers. Convention Hall (background), in fact, is the world's largest indoor auditorium . . . and, as a note of interest, the Siracusa Company played its part in a recently completed, 3½ million dollar modernization of the Hall, by handling a substantial portion of the required contract bond (written, incidentally, by Standard Accident).

Finally, needless to say, Atlantic City is "home" for the Siracusa Company . . . one of the most solidly established (since 1894), respected and

successful insurance agencies in town. For 30 of the concerns' 67 years, they have represented Standard Accident. "We like to do business with Standard Accident," states John R. Siracusa, Jr., "because the Standard's confident attitude toward our agency and their independent-thinking underwriting department have contributed immeasurably to our growth . . . and indirectly to the growth of Atlantic City."

You'll like to do business with Standard Accident, too. Want to talk about it?



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## Wise Is Secretary Of Home Indemnity

Paul S. Wise has been named secretary of Home Indemnity and placed in charge of the fidelity and surety department. He joined the company several months ago.

Mr. Wise had been with Crum & Forster since 1953, most recently as assistant vice-president in charge of bond operations. Before that he had been with Fidelity & Deposit in Baltimore.

## NAMIA Booklet Clarifies Questions About Mutuals

National Assn. of Mutual Insurance Agents has published a revised edition of a 16 page booklet giving "frank questions and honest answers about mutual insurance." It reveals that mutual fire and casualty companies returned nearly \$270 millions to policyholders as savings in 1959.

The booklet explains how a mutual company operates, delves into the subject of mutual policies and assessability, and spells out the advantages of mutual management, such as continuity of operation. It also describes the advantages of dealing with local mutual agents.

The pamphlet attacks some of the "misunderstandings" about mutual insurance. For example, it points out that mutual is the oldest type of insurance available in the United States; that there is no basic difference between a mutual fire and casualty company and a mutual life company; and that the non-assessable clause in mutual policies has been repeatedly upheld by the courts.

A two-page statistical summary indicates the significant role which mutual companies play in the economy. They collect 44% of all premiums and 64% of all life premiums.

## Iowa AR Plan Reports

A report on the operations of Iowa Automobile Assigned Risk Plan for the year ending July 1, 1961, has been sent to subscribers by Manager Robert L. Hilton.

In the 12 months, 13,323 AR applications were handled, of which 8,508 were new and 4,813 were renewal. A total of 9,814 policies were issued, 5,001 on new assignments and 4,813 (100%) renewal. The plan returned 3,091 applications for correction, and 416 applications were rejected.

During the year, 544 policies were cancelled by applicant and 630 were cancelled by the companies. As of July 1, 1961, there 8,640 policies in effect in

the Iowa AR plan. Last year there were 85 appeals to the governing committee, of which 67 were decided in favor of the applicant and 18 in favor of the company.

Leading automobile BI writers in Iowa, on the basis of 1959 writings, are in order, Farm Bureau Mutual of Des Moines, State Farm Mutual Auto, Allied Mutual of Des Moines, Employers Mutual Casualty of Des Moines and Iowa National Mutual.

## Mr. Mutual Agent Of 1961 To Be One Of 16 Finalists

Named as finalists for the title of "Mr. Mutual Agent of 1961" in the annual contest sponsored by National Assn. of Mutual Insurance Agents are 16 agents from all sections of the U. S.

Each entry has been nominated by his state association and selected on the basis of his standing as an agent, his direct contribution to the furtherance of the mutual agency system through association work, and his indirect contribution through activity and recognition in the community.

The candidates are Edward Larsen, Omaha; Ralph L. Cleveland, Indianapolis; Elliot Hopkins, West Warwick, R. I.; Delwin A. Cochran, Fitchburg, Mass.; Harold J. Gelderloos, Grand Rapids; Charles E. McClung, Los Angeles; Phillio Halling, Rochester, Minn.; Charles L. Rue Jr., Trenton; Leo J. Buettner, Johnstown, Pa.; Marvin L. Pearce, Fremont, O.; Roland A. Augustine, Kingston, N. Y.; James K. Ruble, San Antonio; William H. Sanders, Springfield, Mo.; W. R. Van Camp, Memphis; Allen R. Elliott, New Haven; and E. Stony Steinback, Mayville, Wis.

Keith W. Skillin of Lumber Mutual Fire, Boston, is chairman of the subcommittee of the company-agents committee on public relations which is selecting the winner. Other judges are Edwin S. Warfield of Pennsylvania Threshermen & Farmers Mutual; James J. MacGill's, Milwaukee Automobile Mutual; William E. Swigart Jr., Swigart Associates, Huntington, Pa.; and Richard E. Felts; Hamilton Mutual, Cincinnati.

The winner will be announced at NAMIA's annual convention Oct. 16-18 at Detroit. Each state winner will receive an inscribed laminated plaque, and a permanent trophy will be presented to the national winner.

Central Mutual of Van Wert is preparing to occupy new southwestern branch headquarters early in 1962. Construction has begun on a new office home in the Empire Central building development at Dallas.

## Chicago Adjusters Assn. Hit By Hurricane Carla

Continuing its peripatetic existence, Adjusters Assn. of Chicago held its September meeting in a time-hallowed room of the Chicago Engineers' Club.

Hurricane Carla, a lady much in the insurance news these days, made her influence felt by cancelling the scheduled appearance of both the association's president, Jack Galloway, Erion & Co., and vice-president Thomas L. Nelson Jr., General Adjustment Bureau—one was working on claims and the other was "rained in."

In their absence, David Sims, Underwriters Adjusting, the association's secretary, presided and skillfully guided the members through a discussion of various financial and legal matters.

## Standard Accident Appoints Jennings

Standard Accident has named William D. Jennings field representative for the Cincinnati branch office.

## Nationwide Mutual Names Three In Claims Office

Three promotions have been made in the claims department at Nationwide Mutual.

Robert L. Stephens has been appointed director of claims research. He joined the company in 1950 and has been claims research manager for a year.

Jared Darlington has been named director of claims reserves. He went with the company as an agent 28 years ago. He has been claims manager of the New Jersey region since 1958.

Merle W. McCartney becomes claims policies director. He began as an agent in 1937 and entered claims work two years later. He has been claims manager of the western Pennsylvania region since 1954.

Missouri Fire Prevention Assn. will hold its fall meeting Sept. 21 in St. Louis. The association plans town inspections in the western half of the state in September, January, March and May, and in the eastern half in November, February and April.

*for you*

# Something is cooking at Celina!



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## Notes Conflicting Schools Of Thought

(CONTINUED FROM PAGE 2)

tend just one such law? What about a group contract from one state that exceeds the maximum limits of another state?

Mr. Gerber answered this last question by stating that his own department grants credence to such a contract when it appears that the company has no intent to circumvent the Illinois laws.

The director said he is quite aware there are those who stay awake nights

in hopes of "beating" the department, but it is hoped that those who dislike a specific law will attempt to get around it by changing it by legislation rather than by trying to "outwit" the department.

Turning to the subject of new companies, Mr. Gerber said that officers of these have told him they could do anything they wanted and he couldn't do a thing about it—and just that crudely, too.

The director said he believes new

companies have a right to exist. They also have a right to be different—just so this difference is within sound financial limits. Accordingly, the Illinois department allows these new companies a decent chance to get started—and then lets circumstances determine any action that may or may not have to be taken.

### New Regulatory Laws

Mr. Gerber said some new regulatory laws have had to be recently enacted with regards to these new companies. Some of them seemed to feel

that they were only in the investment business, and have had to be reminded they were actually in the insurance business and must try a little harder to sell some insurance.

One of these laws demands a par value on new issues of no less than one dollar. Mr. Gerber said the days of the 10 cent stock are gone; he doesn't see how such stock fits into the propriety of the insurance business. And it certainly adds no dignity.

During the question and answer period, Mr. Gerber was asked what the department's stand on self-insurance was. He said he runs into this question all the time. Actually, there is some question whether, by definition, self-insurance is actually insurance. In any case, there is surely little the department can, at this time, do about it.

With regards to a question submitted by one member which wondered about what he termed "discriminating premium tax laws," Mr. Gerber said he had no idea what this meant. Everyone wants better government, better roads, better lighting—but no one seems ready to pay for it. Where do people expect the money to come from? Where but from the premium tax laws is the money to come for the state itself?

Mr. Gerber concluded by remarking that he was particularly happy to appear before producer groups since he believes these to consist of the last of the angry young men. They are the last of the rugged individuals in America—even if they do occasionally seem to be a bit rugged on him.

### Midland Empire Appoints Andrew Chief Underwriter

George F. Andrew has joined Midland Empire of Atchison as chief underwriter. He started in underwriting work with Capital Mutual of Lincoln in 1953 and was most recently head underwriter of the multiple line department.

### Dropkin Joins Cal. Rate Bureau As Actuary

Lester P. Dropkin has been appointed actuary of California Inspection Rating Bureau. He has been with the New York department as associate actuary since 1957 and before that was in the actuarial division of the National Bureau for four years. Mr. Dropkin has been a Fellow of Casualty Actuarial Society since 1956.

Maynard W. Whitelaw, secretary of General Adjustment Bureau, will be the speaker at the opening fall noon-day lecture sponsored by Insurance Society of New York. The meetings are held in the board room of New York Board.

## Service Guide

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## Battles Pans Continuous Forms At N. H. Meeting

A blast at continuous policies by Robert E. Battles, Los Angeles agent, highlighted the annual meeting at Dixville Notch of New Hampshire Assn. of Insurance Agents. Mr. Battles also forecast a trend to file-and-use laws and revised rating laws which will promote individual company action.

To counter this and other trends, Mr. Battles proposed a national council of diverse interests in the business to deal with technical procedures but not "philosophy."

Arlon W. Jennison, Nashua, was named president to succeed Edward R. Caveney, Hanover, who became chairman of the executive committee. Vice-presidents are Henry Weston, Claremont, and John Jacobs, Berlin. Seth Lamson, New London, was named state national director to succeed T. Winston Keating, Claremont.

Mr. Battles maintained that the proponents of continuous policies cannot prove that they save money. He also derided the standard auto policy as verbose and lengthy and explained a new certificate form of auto contract, which would be economical and permit inclusion of all necessary data.

### Agents In Accord

Before Mr. Battles spoke, the association passed for forwarding to Commissioner Knowlton of New Hampshire a resolution opposing continuous policies for fire, homeowners and and comprehensive dwelling forms, since these are available in a variety of choices at present.

George B. Salter, executive vice-president Providence Washington, advised the agents to look at the results of some companies with poor records in thinking of their own future.

The president's cup for outstanding local board achievement went to Claremont. Nashua and Portsmouth were runners-up, in that order. Citations for individual accomplishments in behalf of the association were awarded to Frank Butterworth Jr., Portsmouth; Albert Gauthier, Newport, and Arthur J. Rouillard, Claremont.

## Columbus Women Prepare Insurance Education Day

Insurance Women of Columbus, O., will sponsor their first Insurance Education Day Oct. 21. The day will be devoted to a comprehensive study of multiple peril packages.

James A. Kanehl, adult education coordinator Distributive Education, will be moderator for the program. Discussion leaders will be Donald U. Mennie, Home Indemnity, who will view casualty coverages, and William L. Venable, U.S.F.&G., who will analyze fire coverages under package policies. Round table discussion will follow these sessions.

Robert L. Cook, Martins Ferry, O., will be the keynote speaker following luncheon. The afternoon session will include a mock jury trial of an insurance secretary and an entertaining story pertaining to marine coverages.

### Allstate Appoints Six

Allstate has made six executive appointments: Arthur M. Eisenbart Jr., automobile insurance sales director, home office; R. Brian Caton, sales manager, Toronto; Edward A. Matus, assistant claim manager, Skokie; Russell H. Ferris, services manager, Dallas; Robert F. Towne, district sales manager, St. Petersburg, and Charles E. Kersgard, sales manager, Indianapolis.

## Home Names Van Lear To Additional Posts

Hunter Y. Van Lear, secretary of Home, has been placed in charge of the farm and crop-hail department. He will continue to supervise the fire and casualty engineering division and the research and actuarial units.

Mr. Van Lear started with the company in 1946 as special agent at Richmond, Va. He was advanced to state agent there in 1951 and was transferred to the home office in 1952, becoming assistant secretary in 1953 and secretary in 1956.

## Aetna Casualty Film Scheduled For Moscow

Aetna Casualty's educational safety film—Outboard Outings—has been selected by the U. S. Information Agency for showing in Moscow this fall.

Hundreds of thousands of Soviet citizens will see excerpts from the prize-winning boating safety film, at the government's "Transportation, U. S. A." cultural exchange exhibit opening Sept. 23.

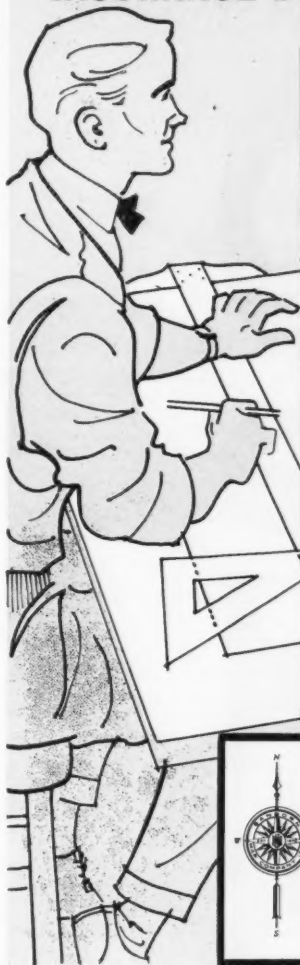
Scene from the color movie will be included in one of four films on different aspects of transportation in American life. Outboard Outings was selected because of its superior technical quality.

## Name Sears At Atlanta

American Casualty has appointed Richard D. Sears production manager of the southeastern department at Atlanta. He replaces Harold W. Sims, who has been promoted to manager at Oklahoma City.

Phoenix of London has appointed John P. McNicholas special agent in Pennsylvania. He will be under the supervision of George A. Wander, manager of the Philadelphia branch.

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## Gives Key Factors In Agency Survival

The question of agency survival hinges on shifting population, price emphasis and advancement in communications, according to T. Winston Keating of Claremont, former state national director of New Hampshire Assn. of Insurance Agents. He spoke at the meeting of Vermont association in Woodstock.

Shifting population and creation of new suburban communities encouraged the adoption of the mass market philosophy in the home offices of the leading companies, Mr. Keating declared. The insurance needs of these communities have been neglected in many cases. Loss of contact between a client and his original agent, and changes in the client's pattern of life made him a prime target for direct writers.

### Profit Speaks For Itself

With regard to price—the profit of direct writers speaks for itself. Their spectacular growth gave impetus to the trend of deviations by agency system companies and to package policy selling. New philosophies have been adopted in communication. This has happened in the field of data processing and in the distribution of the insurance product.

Agents in heavily populated states were the first to feel the impact of population changes and price emphasis with direct writer competition. These agents may have been impatient for a competitive weapon to meet the new conditions. The result was a trial and error program which has not as yet scared away the "boogie man."

Agents in small communities have inherited the ills resulting from this struggle in other areas.

Problems that all agents face today become problems for companies tomorrow, and vice-versa, Mr. Keating observed. Solutions cannot be written out on a "one way ticket."

Turning to agency management, he said that he could not recommend a program in capsule form. He did suggest a number of areas for exploration:

1. Company-agency relations—Agents must make a careful appraisal of each company in their office and establish requirements that will help meet the needs of clients. These needs vary in agencies, and proper selection of companies in individual offices is important to agent, company and customer. The agent must also take a new look at his own value to his companies and act accordingly in future planning. There is also a need for re-establishing contacts with home office personnel to build a bond of confidence.

2. Agency-client relations—There must be an appraisal of each client's business. The agent must decide how valuable each account is, and set a proper course for future handling and development. Mr. Keating's office has adopted a fact finding card that helps develop information on an account. It makes available more complete knowledge of customer needs and improves communication with them.

3. Cost accounting—Mr. Keating's office is studying the use of selectomatic addressograph—coded and tabbed to the needs of clients and revealed in the card survey. He expects to be able to communicate by direct mail with clients by means of machine selection geared to their interests at the proper time. This is automation at the agency level. Other improvements have been realized by "batch-posting" for simplicity, accuracy and time sav-

ing with lower costs. Improvement in accounts payable reporting is often possible through snap-a-part systems and the adoption of the average commission report with a semi-annual adjustment.

Mr. Keating wonders if agents fully comprehend the long range results of the mass market technique. Without question, the final objective is to acquire a captive customer. If agents are willing to accept this as morally and economically sound, they must also be ready to accept the fact that the struggle for the customer may be waged between the companies and their agents.

Continuous repetition by companies of what is best for agents—continuous policies, direct billing, and elimination of duties that should properly be the agents'—are all part of the mass market approach. Commission reductions are a by-product.

Mr. Keating observed that the highest ranking officers of the companies have repeatedly reaffirmed and pledged their loyalty to the agency system. Agents accept these pledges as sincere, but agents will be contributing to the downfall of the system if they fail to arrest and correct moves that threaten its very basis.

In addition to practical steps in their agencies and participation in association and community efforts, the agent has one outstanding obligation in Mr. Keating's view: He must "be" the competition, not follow it.

North America has asked for a 5% deviation and Allstate for 10% on the multi-peril program for apartments in North Carolina. Commissioner Gold has set a hearing for Oct. 3.

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## Kemp Named Deputy Of Vermont Department

Richard C. Kemp has been named deputy insurance commissioner of Vermont.

He began his career in 1945 with U.S.F.&G. as an underwriter trainee in Portland, Me. Later he was a claim adjuster and then an underwriter before leaving the company in 1955 to join Employers Liability. For the past year he has been with National Bureau at Portland.

## Courson To Hertz Insurer

Melvin Courson has been named executive vice-president of Atlantic National. He has been chief examiner of the Florida department.

**Surety Assn. of America** has named a nominating committee of past presidents to select a slate of officers to be voted on at the annual meeting in November. On the committee are William J. Flaherty, Aetna Fire; Samuel M. Williams Jr., Maryland Casualty, and Thomas T. Carmick, Fireman's Fund.

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## IAHU Board Meets; 14 Committees Named

International Assn. of Health Underwriters has appointed 14 standing committees to serve until June of 1962. They met for the first time Sept. 16-17 at the LaSalle Hotel, Chicago, when the association held its first board meeting of the season. Assignments were handed down and programs worked out at that time. It is also expected that additional temporary committees will be appointed during the course of the year.

Following is a list of committee chairmen:

**Membership**—John M. Forrest, Mutual of Omaha, Akron, IAHU vice-president.

**Associate Company Membership**—Milton Rose, Paul Revere Life, Los Angeles, IAHU vice-president.

**Sustaining Membership**—John J. Symanitz, Interstate Assurance, Minneapolis.

**Legislation**—E. H. O'Connor, Insurance Economics Society of America, Chicago.

**Education**—W. Harold Petersen, Underwriters National, Indianapolis, IAHU zone chairman of Indiana.

**L.P.R.T.**—C. T. Tollefson, Mutual of Omaha, Fargo

**H.I.P.A.**—Richard H. Dutwiler, National Casualty, Los Angeles.

**Convention**—Earle Bennett, Provident L. & A., Tampa.

**Credit Card**—J. W. Paull, Associates Life, Detroit.

**Gordon Memorial**—John C. Burridge, THE NATIONAL UNDERWRITER, Chicago.

**Publicity**—Fred T. Van Urk, United Benefit Life, Philadelphia.

**Public Relations**—Maurice Ausley, North American L., A.&H., Birmingham.

**Memorial**—Fay F. Cline, Travelers, Richmond, Va.

**Libby Foundation**—E. J. Coffey, Mutual of Omaha, Portland, Ore.

## Mission Equities Seeking Purchase Of Enterprise

Mission Equities, a holding company recently organized by executives of Sayre & Toso and holding ownership of nearly 100% of the stock of Mission of Los Angeles, is negotiating for a purchase of Enterprise of Los Angeles.

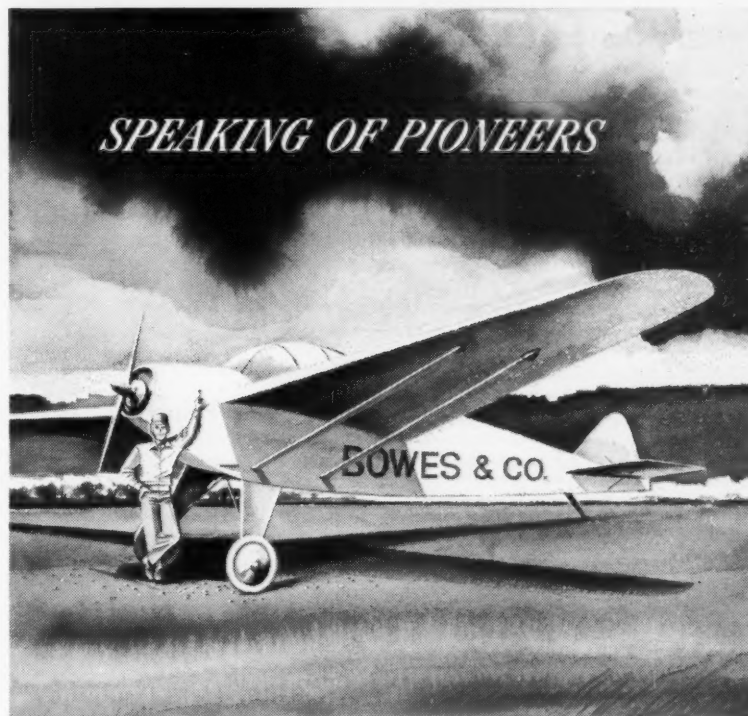
Enterprise is a workmen's compensation specialty company organized in 1953 by the late Charles E. McKenney. The company had assets Dec. 31, 1961, of \$5.1 million, capital \$200,000 and net surplus \$308,787. Earned premiums in 1960 were \$6,048,034 and there was an underwriting loss of \$157,500, with incurred losses of \$4,181,868.

Enterprise is a closely held company and it is anticipated that Mission Equities will be able to buy the stock with a minimum of difficulty. Enterprise will be affiliated with the Sayre & Toso group that includes, besides Mission, Holland-America and Seven Provinces of the Hague.

## MacDonald & Co. Promotes Stapp

Sterling J. Stapp has been promoted to executive vice-president of D. K. MacDonald & Co. of Seattle. He has been in the insurance business for more than 30 years and with D. K. MacDonald for 15 years.

Bayly, Martin & Fay agency of Los Angeles has named W. E. Morrow Jr. as an assistant to Charles I. Houghton, manager of the San Pedro office. He is experienced in marine insurance and is a senior average adjuster.



Aircraft was in its infancy when Bowes & Company took its initial step into the field of aviation underwriting. Testimony of our confidence in the future of aeronautics was the monoplane bearing the name "Bowes & Company" which saw service on many sales fronts and captivated the imagination of agents and brokers who were breaking into the aviation insurance field. ■ Today, Bowes & Company has the oldest aviation binding authority in this country. We write every conceivable form of coverage—ranging all the way from aircraft hulls to air meet liability. We place particular emphasis on industrial aid risks, aerial applicators, associations and groups which present particularly complex and involved problems of underwriting. ■ Whatever your aviation problem, be sure to call Bowes & Company first! Basic "know-how" in the entire area of aviation underwriting provides realistic short-cuts in meeting today's competition head-on.



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## Eyes Values Of Surplus Market

(CONTINUED FROM PAGE 10)

restaurant; the frame seasonal hotel, and the rat-infested apartment house with defective electrical wiring, no central heating, and located in the slum area of any city.

Within the frame of his discussion, Mr. Neubauer assumed that all applicants, except the moral risk, deserve coverage. This leads to consideration of how the surplus market can write business that the admitted companies thumb down, and the answer of course is price.

When the agent submits an application for fire coverage on the type of apartment Mr. Neubauer described—rated by the bureau at 30 cents—the surplus market may quote from 45 cents to \$6. There is no obligation on the client or on the agent making ap-

plication. But Mr. Neubauer has yet to meet the producer who would rather tell his client he can't place the business than quote a premium, no matter how high.

### Other Difficult Lines

An agent may have the problem of placing messenger and interior robbery for the tavern owner who keeps an additional \$3,000 or \$10,000 on the premises for cashing checks. Although it is almost impossible to get admitted companies to write such target risks, the coverage is easily had in the surplus market.

OL&T is available from admitted companies for most locations and classifications. But the agent will have trouble placing coverage for the run-down tenement, the gin mill on skid

row, the nursing home, swim club, self-service laundromats, and amusement rides and devices. There is an excellent surplus market for all these classes, and rates are quoted without obligation. This is also true of M&C for a wrecking contractor, a tree surgeon, a caterer, a scrap metal yard or an exterminator—lines which the agent may be trying unsuccessfully to place in admitted companies.

Mr. Neubauer conceded that there is a rather limited market for some classifications seeking products liability, including completed operations. He knows of no underwriter willing to provide coverage for aqua lung manufacturers or for a demolition contractor. But there is a good market for food manufacturers and distributors, for drugs and patent medicines, for skin and hair preparations, and even completed operations for floor waxers.

### Describes Procedures

In auto PHD, surplus underwriters are willing to take long haul truckers, class 20 risks, and single interest for lending institutions.

Mr. Neubauer observed that an agent may be placing 90% of his applications with admitted companies. This figure could grow to 98% or 99% over-all through use of surplus markets, Mr. Neubauer said, although he can't guarantee 100%. Rural agents have fewer placing problems, while those in larger cities must sometimes wonder whether their companies are "writing anything anymore."

Surplus underwriters are ready to quote on all forms of inland marine and water damage, he continued. Before quoting on water damage, they require an inspection report. Frequently, on a substantial personal articles floater, they ask for a credit report. These are furnished at applicant's expense but do not obligate the underwriter to quote.

### Details Opportunities

Mr. Neubauer dealt next with unusual coverages which have become standardized in the surplus market, noting that many of these now are available from admitted companies. Among the covers he mentioned are:

1. Accidental death: For clients who travel extensively, or as a substitute for double indemnity where the agent's life company is not willing to include this feature.

2. Chattel mortgage non-filing insurance: Every bank which makes loans on autos or other chattels is a prospect. The premium is less than the cost of recording the mortgage, and the bank has the additional saving of the messenger's time required in going to and from the county clerk's office.

3. Excess limits: After the agent has sold the client on the desirability for high limits, the client becomes concerned with only 10/20/5 available for "junior" or for himself when he reaches age 78 and insists on driving. Excess limits are available, not only for auto assigned risks but for every form of liability. Frequently, Mr. Neubauer's office is asked to place excess limits for various practitioners or malpractice for hospitals where the admitted company will only take 100,000/300,000. He understands that North America's top is \$5 million. On a national account needing more than that he said the London market is prepared to write additional coverage.

4. False arrest: More and more communities and counties are providing this cover for policemen and for officials and local entities. It is simple to write, claims are infrequent, and the agent can add a "prestige account," while increasing his income.

5. Hand disablement: At nominal rates, this cover is available for surgeons, musicians, artists and others dependent on the use of their hands for a livelihood.

### May Own Horses

6. Livestock: The client may own a race horse or a string of horses. Completing a simple application and veterinarian certificate, which is part of the application, is the only necessary step for a quotation.

7. Professional liability: Whether or not the man's calling is recognized as a profession, if he renders a personal service, he should have this coverage. Agents have done a reasonably good job in selling physicians and surgeons, although not up to needed limits. Agents have not done so well in selling fellow agents, lawyers, dentists, accountants, company and public adjusters, barbers, beauticians, engineers, nursing homes, surveyors and travel agents.

8. Twin insurance: More correctly known as "multiple birth," this is readily available with rates developed from a simple application. Expected date of birth stated by the attending doctor must be at least five months from the date of application.

Mr. Neubauer urged agents to dismiss their fears that surplus lines are too complicated. When the agent has a placement problem, he should look into this market. He may wind up dollars richer, with one less headache and one more satisfied client. But the agent should make sure that surplus line firms he deals with are properly licensed. This precaution may save him embarrassment, a fine, or even his license, Mr. Neubauer concluded.

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## Sees 'Double Jeopardy' In Federal Regulation

Federal regulation of insurance was vigorously attacked by Commissioner Hunt of Oklahoma in a talk before the annual convention of Oklahoma Assn. of Mutual Insurance Agents in Oklahoma City. He said the conflict between state and federal regulation could not be resolved in absolute control by either body, and that therefore increased federal control would place agents in "double jeopardy."

He criticized the federal government for slowness in handling insurance legislation. He cited property damage several years ago resulting from sonic booms that occurred during an air show in Oklahoma City. Because most policies did not provide coverage for such damage, Mr. Hunt contacted the Internal Revenue Service for information as to whether sonic boom damage was tax deductible. It was three years before a ruling was received.

He suggested that companies could combat the threat of federal regulation by supporting state departments and backing appropriations adequate to provide departments with personnel and equipment.

Many companies fail to back state departments, he said, because they are only paying lip service to regulation and actually want none at all. Others have not yet realized that federal government is assuming states' rights. The heat is being applied so gradually, he remarked, that many will be "scalded to death" before they realize the water's getting warm.

Mr. Hunt pointed out that federal government has already replaced company business in life, health and hospitalization, workmen's compensation, hail, and several other lines, directly and indirectly. Soon, he believes, the government will take over the regulation and control of the business.

He questioned the ability of the federal body to promulgate rating laws that would be in the public interest. It is the insurance commissioners, he insisted, who handle the complaints and inquiries of thousands of citizens. The Senate subcommittee on anti-trust and monopoly has, for instance, been backing no prior approval, which in the commissioner's opinion will result in rate wars and insolvency of smaller companies.

He urged companies to take a firm stand for state regulation and avoid being "convicted by silence."

Allen M. Mills, president Camden Fire, will be speaker at the luncheon meeting Sept. 25 of Camden-Gloucester County (N. J.) Independent Agents Assn.

## Safety Expert Stresses Young Driver Education

Because a 15 or 16 year old boy can pass all the tests for a driver's license, he is not automatically qualified as a good driver, Edward R. Klamm, accident prevention director Allstate, told a group of college instructors at a summer workshop sponsored by Allstate Foundation at Michigan State University.

A youngster who completes a 30-hour classroom and six-hour behind the wheel course has received superficial instruction, Mr. Klamm said. It is true he knows the rules of the road and has a general understanding of what constitutes sound, courteous and skillful driving, but he has a long way to go to be classified an excellent driver.

He compared the newly trained young driver to a musician who has a minimum of training yet feels he is ready for Carnegie Hall. In both cases further practice is a necessity.

After a year's driving with adult supervision, the young driver is ready for solo training during daylight hours, in Mr. Klamm's opinion. At 15 or 16 he is eligible for his driver's license, but he should not be given exclusive use of a car.

Mr. Klamm anticipates considerable opposition from young drivers to this plan and said that convincing parents is the keystone to success. Backed up by the findings of a survey made by Allstate, he points out that extensive use of an automobile by a high school student has adverse effects on academic grades. The report, released last year, studied the relationship of automobile usage and scholastic standing.

Mr. Klamm urged communication with parents through every possible means—PTA, student newspapers, special letters from driver education instructors, contact with local safety councils, etc. He concluded by stating that a community's driver education program is no better than the teachers and amount of financial support the public is willing to give.

### Trinity Universal Names Bixler

Trinity Universal has named Leon K. Bixler district claims manager for northeastern Indiana, with offices at Fort Wayne. He replaces Robert Ross, who was recently transferred to Indianapolis to head the company's claims staff there.

### New Independent Adjuster In Kan.

Kansas Insurance Claims Co., has been established at Olathe to serve the area south and west of Kansas City for all aspects of claims handling.



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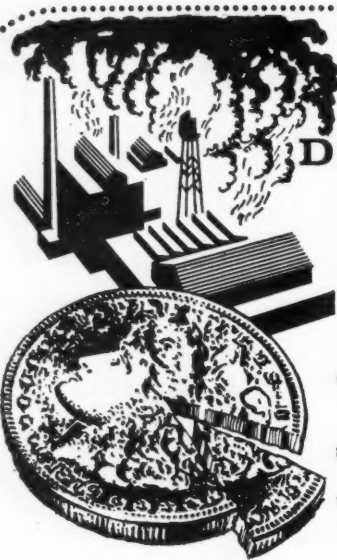
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## Otstot Retires As N. C. Agents Secretary

(CONTINUED FROM PAGE 1)

North Carolina association were among the nearly 100 friends who gathered to honor Mr. Otstot. Alexander Webb of Raleigh, one of the founders of the North Carolina association in 1898 and its first president, was in attendance.

The past presidents presented Mr. Otstot with a \$1,500 government bond. He was also given lifetime memberships in the agent's association and the North Carolina Insurance Women's Assn., which he helped to form. Among other honors was the establishment of the Sherman G. Otstot Local Board Award, which will be given to local boards in cities and counties of less than 100,000 population. As executive secretary, Mr. Otstot had worked to bring the small agent into the association and recognize the important position he occupies in the business.

Mr. Otstot began his insurance career in Springfield, O., in his father's agency. He moved to Asheville, N. C., in 1925 to become manager of the insurance department of Boyd & Chance Realty & Insurance.

Mr. Otstot has the unique honor of having served as both elected president and staff executive of the North Carolina association. In 1928 he was elected vice-president of the association and in 1929 president. He was elected director in 1934. It was in 1936 that he consented to become executive secretary. He served as executive secretary for 19 years and in 1955 was made executive vice-president.

Mr. Otstot intends to "work with his flowers, do a little fishing, and travel."

## Plaintiffs Take Lead As Chicago Courts Reopen

Plaintiffs in personal injury suits in Chicago and Cook County won damage awards totaling \$48,800 in the period Sept. 1 through 15, according to the compilation of Cook County Jury Verdict Reporter. Eight of the 12 cases decided in the two weeks were won by the plaintiffs.

The largest verdict was \$18,000 to a 70-year-old woman who was injured reaching for a package after she alighted from a taxicab. The original demand in this suit was \$50,000, and the last demand before the verdict was \$17,500. In another case the jury awarded \$15,000 to an injured party in an automobile accident who had made a last demand of \$5,000. This also was a \$50,000 case originally. Another plaintiff in an auto accident filed for \$25,000. This was worth \$6,500 although the last demand was \$4,000. A pedestrian suing for \$25,000 won \$3,000 after a last demand of \$1,250.

### Would Have Accepted \$6,000

In contrast, another plaintiff would have settled for \$6,000 but the jury awarded \$2,000. She originally sued for \$7,500. A plaintiff who wanted \$25,000 originally and would have settled for \$3,000 was given \$1,500 in an auto-pedestrian accident.

The eight successful plaintiffs who won \$48,800 since the resumption of the court sessions in Chicago were willing to settle those cases for a total of \$61,750. They were offered \$11,800 to keep the issue out of the hands of juries.

On Aug. 31, the backlog of personal injury cases in circuit and superior courts in Chicago was 69,021, a record. This was 2,417 cases more than the prior record of July 31, 1961. It is estimated that there will be more than 70,000 cases awaiting trial by Sept. 30.

## Gerber Seeks Ideas For Deviation Law Changes

Director Gerber of Illinois, chairman of the NAIC subcommittee to review fire and casualty rating laws and regulations, is soliciting recommended amendments from industry to the aggrieved party and deviation sections of the all-industry rating laws. The recommendations will be turned over to Commissioner Francis Smith of Pennsylvania, who is assigned the job of drafting proposed amendments for submission to the NAIC meeting at Dallas in December.

Some early ideas on what might be done to these sections of the rating laws were submitted to NAIC at its meeting in Philadelphia. They were read by Charles Walsh of the Pennsylvania department, but met with no enthusiastic response from industry, which had no hand in drafting these proposals, and the request was made that more time be taken. It was agreed that industry should have a chance to express itself, hence the call now for suggestions.

## F. & D. Raises Bollinger

Fidelity & Deposit has elected William D. Bollinger assistant secretary. He joined the company in 1929 in the claim department and has most recently been manager of that unit.

## Milwaukee Agents Elect John Bird

MILWAUKEE — John D. Bird Sr., has been elected president of Milwaukee Assn. of Insurance Agents.

Robert M. Freer was named vice-president, and Robert R. Cope secretary-treasurer. New directors are Harry F. Polaski, Donald L. Doherty and Richard C. Burdick. Speaker at the dinner meeting was Joseph S. Gerber, Illinois director.

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## Await Facts On Tex. Hurricane Loss

(CONTINUED FROM PAGE 1)

worth \$125 million in insured loss, Hurricane Carla, on early guesses, will run \$75 million to \$95 million.

There will be a large number of losses, something in the range of 200,000. For this catastrophe situation the insurance business is prepared as it never has been before. General Adjustment Bureau, Mutual Loss Research Bureau and National Assn. of Independent Insurance Adjusters all have storm offices in Texas. GAB has about 450 men handling losses; NAIIA has 100 adjusters from other parts of the country participating in the manpower pool that is part of its catastrophe plan. This is in addition to the independents on the scene. It is estimated that the NAIIA members will handle about 50,000 losses in the greater Houston area and about 15,000 on the Gulf Coast. This division, with the preponderance of losses inland, represents the difference between straight wind and wind following high tides that flooded several portions of the

coast but created mostly uninsured loss.

Ralph Clement Jr. of Atlanta, chairman of the catastrophe committee of NAIIA, is maintaining his headquarters in the Shamrock-Hilton Hotel, Houston, and will have an office in operation until the manpower needs of the independents are met.

The Mutual Loss Research Bureau office is in the Texas Gas Building, Houston. This office is a clearing house for losses in the two tiers of counties on the coast from Port Arthur to Corpus Christi. Donald Hawkins, general manager of MLRB, is in charge there.

GAB has a whole set of storm offices throughout the area of loss.

### Conflicting Estimates

The reluctance of adjusters to try to come up with figures as to the number of losses or the amount of average loss or the total loss arises from two causes—the conflicting stories that accompanied hurricane Donna last year, with some quarters soft-pedaling the damage and others scaring the public into believing a semi-national disaster had occurred. It is notable that the insurance people are remaining closemouthed until they can speak with authority. There have been conflicting statements from various quarters concerning the loss from Carla that in some instances affected stocks and caused mild hysteria.

By the middle of this week many of the insured losses had not even been visited by an adjuster. Communications and travel in the worst hit areas were bad. General Adjustment Bureau officials wisely held off making guesses until they had had a chance to survey the damages. There are installation floaters and industrial properties with big insured losses, but until teams of adjusters can visit these scenes there is no way of knowing what is involved.

One insurance source that estimated when the winds were still howling that Hurricane Carla would be the greatest single insurance loss in the history of the United States, subsequently revised that estimate to the greatest insurance loss in the history of Texas.

A leading insurer of financed automobiles anticipates \$150,000 loss including damage by flood and tornado. It has broken its loss down into \$30,000 at Houston, \$8,000 at San Antonio, \$3,000 at Oklahoma City, \$4,500 at Kansas City, \$1,400 at Lafayette, La., and \$200 at New Orleans. Thousands of cars were used to evacuate people from Galveston and Texas City, and these cars escaped flood loss.

### Cosmopolitan Forms A Cal. Life Subsidiary—Cosmopolitan Life

Cosmopolitan of Chicago has formed a life subsidiary, Cosmopolitan Life of Beverly Hills, Cal.

Designed to provide multiple line facilities for Cosmopolitan fire and casualty agents, the new life company has a paid-in capital and surplus of \$1,200,000 and will write non-participating policies.

Robert I. Jacobson, president Cosmopolitan, secretary Employers Insurance Agency, and president Cosmopolitan group, will be treasurer of Cosmopolitan Life. Other officers include former California Gov. Goodwin J. Knight—president and chairman; Irwin J. Sylvan, chairman and secre-

tary Cosmopolitan, president Employers Insurance Agency, and chairman Cosmopolitan group—executive vice-president, and Robert P. Branch, formerly vice-president Consolidated American Life of Illinois—vice-president.

### NYFIRO Makes Rate And Rule Dwelling Changes

(CONTINUED FROM PAGE 4)

winter a ready guide in ascertaining the correct rate and form. Protection statements are included in the forms and are applicable when so designated. New York City is considered as "all protected" as are class A and class B communities.

Brick veneered construction has been re-classified as brick. Seasonal private dwellings, not otherwise specifically rated due to congestion, or subject to district charges, now take the same rates as year-round dwellings.

Most standard forms have been revised to correspond with the revised rules, and several new forms have been provided.

The majority of dwelling policies are now written at deductible extended coverage 4 rates, subject to the windstorm and hail deductible clause. The latter is now made a part of the windstorm and hail provisions of the EC endorsement included in all revised forms.

An installment premium payment statement is included in certain forms and is applicable when so indicated.

involving the Wisconsin guardian ad litem fee. He was sentenced to seven days in jail for contempt in 1957 when he refused to pay a \$500 guardian ad litem fee, but the sentence was stayed to permit him to appeal. He won in the higher court. He contended it was improper to have to pay the fee after the company's insured defendant was found not guilty of negligence.

E. F. HIGH, 63, past president and director of National Assn. of Mutual Insurance Agents and past secretary, treasurer, and president of the Ohio association, died at Columbus, where he owned High's Insurance.

### New Martin Office In Pa.

Claude R. Martin Co., general adjusters of Scranton, has opened a new branch at 226 North Duke Street, Lancaster, Pa., with Charles D. Musgnung as adjuster in charge. He has been with the Martin company for several years.

The Martin company also has branches at Allentown, Wilkes-Barre, Pottsville, Williamsport, Hazleton and Harrisburg.



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## Deaths

(CONTINUED FROM PAGE 24)

from 1933 until he retired in 1953, at which time he joined his son, H. William, who heads the Lloyd's firm.

GEORGE D. DOUCETTE, 72 vice-president in charge of claims of Milwaukee Auto Mutual, died. He had been with the company for 45 years and was active until his illness a short time ago. In 1958 he won a test case

## Stocks

By H. W. Cornelius of Bacon, Whipple & Co.,  
135 S. LaSalle St., Chicago, Sept. 19, 1961

	Bid	Asked
Aetna Casualty	143	148
Aetna Fire	109	113
American Equitable	21	22
American Newark	29	30
American Motorists	26	29
Boston	37	38½
Continental Casualty	109	111
Crum & Forster	53	55
Federal	66½	68
Fireman's Fund	59½	61
General Re.	165	175
Glens Falls	41½	43
Great American	53	55
Hartford Fire	79	82
Hanover	44½	45½
Home of N.Y.	59	61
Ins. Co. of No. America	100	103
Jersey Ins.	34	36
Maryland Casualty	41½	43
National Fire	144	150
National Union	44½	46
New Hampshire	57	59
North River	43	44½
Ohio Casualty	28	30
Phoenix, Conn.	111	115
Prov. Wash.	22½	23½
Reins. Corp. of N.Y.	23½	25½
Reliance	60½	62
St. Paul F.&M.	84	86
Springfield F.&M.	39	40½
Travelers	142	145
U.S.F.&G.	59	61
U. S. Fire	34	35



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## Dean Jeffers Points To The Sophistication Of Today's Buyers

(CONTINUED FROM PAGE 4)

serve him. These demands include convenience of purchase, payment and service. He is interested in the product and whether or not it meets his needs rather than the company's. "Through our combined merchandising efforts, we made him very cost conscious and have taught him how to shop for price," Mr. Jeffers said. But, he wondered, have all of these merchandising changes been made in a sincere effort to do what is best for the consumer?

### Cites Convenience

Commenting upon the sophistication of the insurance buyer, Mr. Jeffers pointed out that one of his demands is directly related to the convenience of the insurance transaction. Just how far has the business gone in making it as easy for the customer to buy as has the modern supermarket, the general drugstore, drive-in banks, etc? Are agents and companies today trained in the concept of convenience to the customer in the insurance transaction? Are insurance offices located for the convenience of the customer, the convenience of the agent, or for the convenience of the company? What about payment plans? Are payment plans designed to fit the budget of the consumer? Is it possible for him to easily finance insurance premiums? Are these budget payments packaged so that the insured pays for all of his insurance in one monthly check as he does to the finance company holding the mortgage

on his home? These are some of the questions that Mr. Jeffers said had to be answered.

He said service means many things, but that one of the essential ingredients of service is convenience—convenience in making it easy to buy, easy to pay and easy to make a claim. For any agent or any company to neglect any of these areas is to open the door for his aggressive competitors to walk away with the business.

The role of the field man—his selec-

tion, training and evaluation—came in for some searching analysis from H. L. Hudelson, vice-president Mill Owners Mutual; R. L. Phillips, agency secretary Shelby Mutual, and Robert N. DeFrance, production manager State Automobile Mutual.

Perhaps the most essential quality to look for in a field man, Mr. Hudelson said, is the ability to manage himself. As a consequence, he looks primarily for men able to manage their own time and use it intelligently.

Another prime consideration is sales ability. Today, a field man must be not only a technician, but a skilled salesman, able to operate in the hot arena of competition.

Mr. Phillips described the program his company has developed for continuous training. His company has divided this into three categories: Training inexperienced recruits, training experienced men hired from other companies and training of seasoned veterans. He outlined the cost of the training program, its character and duration and offered a number of sug-

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### Northern Cal. CPCU Slates All-Industry Day Seminars

Northern California chapter of CPCU will sponsor an all-industry day Oct. 11 in San Francisco. Each participant may choose one of eight all-day seminars that are being offered. The luncheon speaker will be Thomas C. Morrill, executive vice-president State Farm Mutual Auto, whose address is entitled "California, Here We Come."

A seminar on special handling for large lines will be considered by Joseph J. Graham, North America; George Bingham, Johnson & Higgins, and Shuler Stein, Liberty Mutual. One on combining property and casualty with life will be led by Hugh A. Hynds, Marsh & McLennan, Jerry L. Strand, Prudential, and Lyle E. Brigham, General of Seattle.

A discussion of trends and developments in California workmen's compensation will be moderated by J. P. Taheny, Argonaut; Richard G. O'Brien, California Inspection Rating Bureau, and Warren Hanna, attorney. Dr. Harold Lindner, medical consultant Fireman's Fund, and Eugene J. Mejeski, attorney, will moderate an analysis of the defense of BI claims. John Co-wee, University of California, will lead a discussion of the problem of auto accident consequences.

Edgar H. Lion Jr., Firemans' Fund; and Edwin G. Farrell, San Francisco broker and president Society of Insurance Brokers, will moderate a seminar on company-producer relations. Package policies will be analyzed by a seminar under the direction of Robert G. Nevins, North America, and Lawrence Poulton, San Francisco broker.

The impact of fire deductibles on company, broker and buyer will be the subject of a seminar moderated by Roy A. Westron, Kaiser Aluminum Co.; W. H. Dillon, Fireman's Fund, and Herbert F. Lewis, Manufacturers Mutual Fire.



gestions for improving training methods of field men generally.

Mr. Phillips believes that actual field work in an agency is invaluable training. Unless the field man has had an agency background, he is inclined to think of an agency operation only with regard to his own company's place in that agency. Mr. Phillips suggested that part of every field man's training should be time spent in a local agency. This would provide an opportunity to see how an agency's system of accounting operates, how claims are reported and handled, how

surveys are prepared and how face to face soliciting is done.

He put it bluntly that an opportunity to become closely associated with an agency would, first of all, make the field man aware of and sympathetic to some of the problems which plague agencies. At the same time, it would equip him with enough knowledge of agency operation to know when an agent is "trying to pull the wool over his eyes" regarding what can or cannot be done.

Mr. DeFrance stated that evaluation of the worth of any particular field

man is impossible without some attention first being directed to his function. He divided these functions into five general areas. He must stimulate sales, convey a company image, provide services extraneous to company objectives—including agency continuation, recruitment, office accounting and management, etc.—underwriting (in that he must indoctrinate his agency forces that their ultimate success comes only from writing good business) and agency education.

Since these are the areas of responsibility in which the field man

operates, Mr. DeFrance said, it is unfair to predicate any evaluation upon volume of business alone.

Dean Kittel, Rural Mutual; T. P. Graham Jr., MFA Mutual, and C. J. Bailey, Federated Mutual Implement & Hardware, handled a three-pronged discussion of selling techniques and problems as they relate to the sales departments of companies operating with salaried sales personnel. Mr. Kittel outlined the ingredients of the so-called "perfect" sale; Mr. Graham discussed the matter of the timing of sales; Mr. Bailey tackled the thorny problem of sales management.

Robb B. Kelley, vice president Employers Mutual Casualty of Des Moines, described psychological testing of automobile insured. Mr. Kelley examined the approaches which have been adopted by several of the companies pioneering in the field and reported upon the results of these companies' experience. He went into the various phases of these psychological tests, pointed out the relative importance of each phase, and analyzed the application of these tests in specific areas.

Mr. Kelley made it clear that as far as his own company is concerned, psychological testing of underage drivers—there is particular emphasis upon the younger drivers at this time—may prove ineffective. On the other hand, he pointed out, this research program has a great amount of public relations value in that it demonstrates to the public and to agents that companies are trying to do something about a very vital and important problem.

Robert W. Doucette, secretary Milwaukee Automobile Mutual, considered the responsibility of the sales and agency departments of companies as viewed by management. One of the greatest challenges of a sales and agency division is to be imaginative enough to create a desire for the product and company among the agents in the field and the public. Then, it is incumbent upon these departments to improve continually the quality of agency personnel through continuous education. Finally, the agency department must be dedicated enough to accept changes, competition, and all the headaches these mean and sell them to the agency force.

Other speakers included Ivan D. Allison, sales manager Farm Bureau Mutual of Michigan, who described the sales possibilities of the new farm-owners package, and John Keyser, Kalamazoo, who set forth the practical plan for agency perpetuation which has been utilized in his own agency for a number of years. The concluding speaker was Dr. Laurence E. Saddler of William-Lynde-Williams Ann Arbor, Mich.

#### Arson Seminar In Okla.

A five-day arson investigation seminar will be conducted on the campus of the University of Oklahoma Oct. 17-21. This meeting is titled the Southwestern Arson Investigation Seminar and will be the seventh of these events. An impressive roster of 53 instructors, counselors and moderators from all parts of the country will conduct the program.

The emphasis in this seminar is on detection and the successful prosecution of arson cases.

The sessions are conducted for the benefit of those interested in this field from any part of the country. More than 3,000 students have attended one or more of the seminars since they started in 1954.

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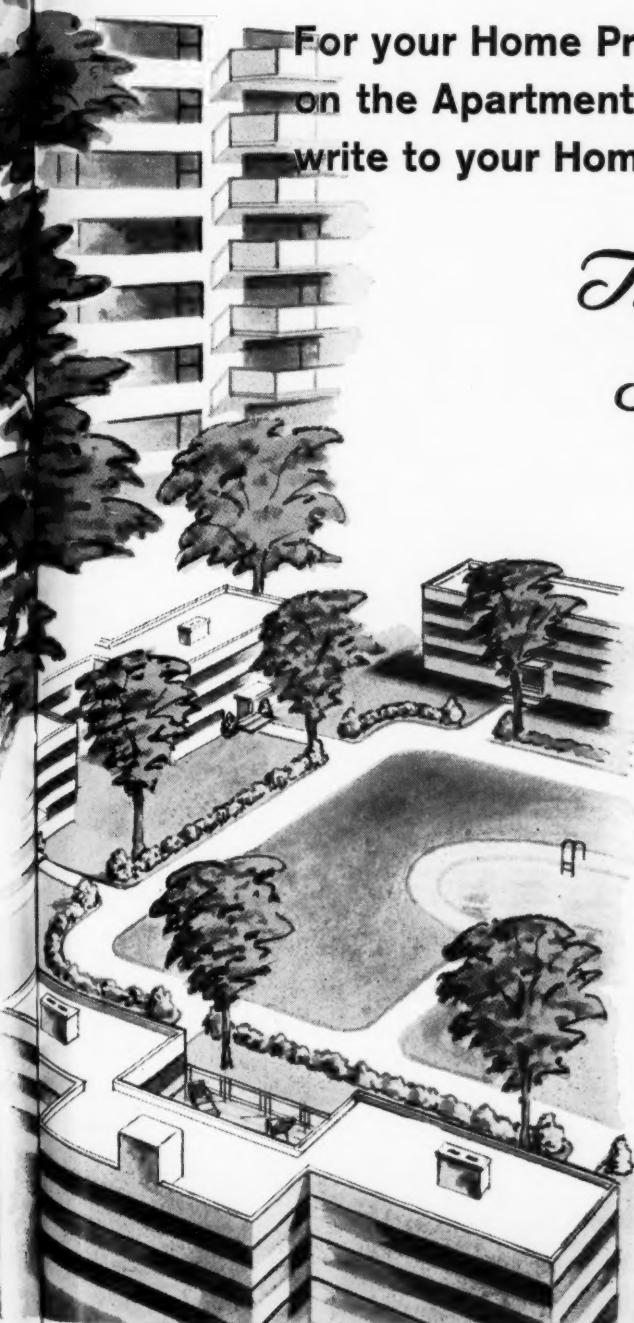


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